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CALIFORNIA Journal

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A lawmaker needs to publicize a bill; a special interest wants to promote a cause. More often than not these days, the publicizing and promoting will be done by a growing band of public-relations specialists. By Steven Capps

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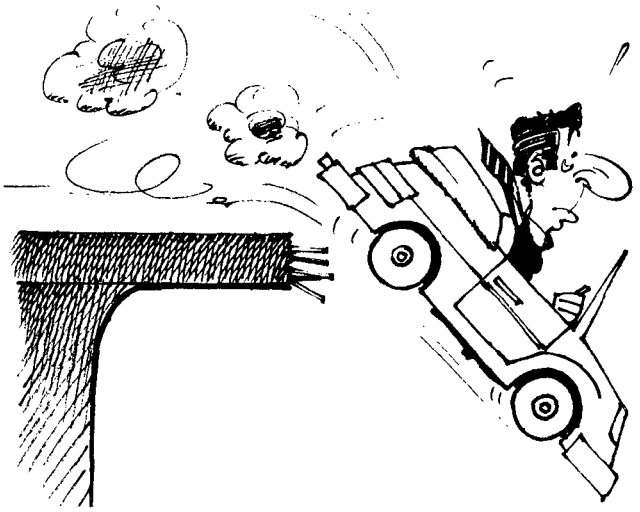

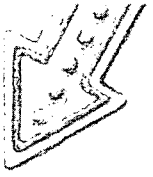

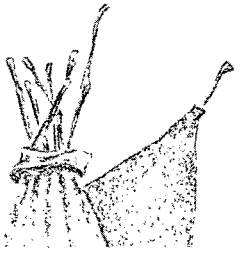

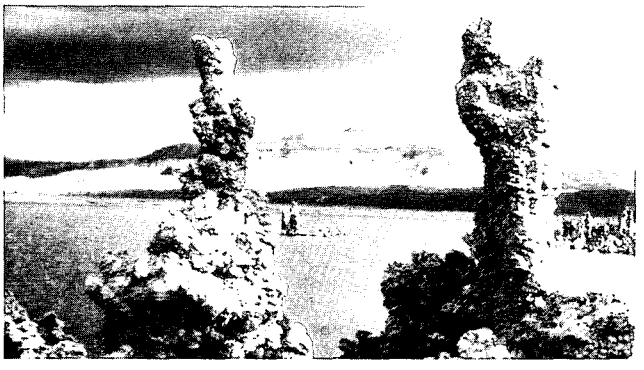

Cover photo by Rich Pedroncelli

Ventriloquist's figure provided by Chuck Jackson, Figuremaker, P.O. Box 1466, Cedar Ridge, CA 95924.

President and Publisher, Thomas R. Hoeber; **Editor,** Richard Zeiger; **Managing Editor,** A.G. Block; **Art Director,** Chris Van Overloop; **Business Manager,** Barbara Rocco; **Production Coordinator,** Roberta-Anne Kaminski; **Staff,** Ellen Chapman, Naomi Estolas, Marnie Fesmire, Hope Tuttle, Susan Uher; **Seminar director,** Rod Tuttle; **Counsel,** Conrad Lee Klein.

Advertising Representative: Jeff Wichmann, (916) 452-3242

Member The Audit Bureau

CALIFORNIA JOURNAL is a non-partisan, non-ideological analysis of California government and politics established in 1970. The *Journal* is indexed in Public Affairs Information Service, New York Times Information Bank, Sage Urban Studies Abstracts, Urban Affairs Abstracts, and California Periodicals Index. *California Journal* (ISSN 00081205) is published monthly. Subscription rates: Libraries and Government Agencies, $49; Corporations and Associations, $95; Special Individual rate, $32.00. Address all inquiries to California Journal, 1714 Capitol Ave., Sacramento, California 95814. Telephone (916) 444-2840. Copyright 1989 by California Journal, Inc. Second class postage paid at Sacramento. POSTMASTER: Send address changes to CALIFORNIA JOURNAL, 1714 Capitol Ave., Sacramento, CA 95814

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UP FRONT

Those who strive for excellence in journalism — and the citizens who benefit when it is achieved — lost a champion when Charles Kenny McClatchy died recently. The editor of the

Photo by Owen Brewer, *Sacramento Bee*

Sacramento Bee collapsed on April 16th while jogging. He was 62.

C.K., as he was known to one and all, was a friend of the *California Journal*, providing tangible and intellectual support for our efforts over the years. He was a gentleman in the truest sense of the word: he was reserved in bearing yet tenacious in his efforts to establish and maintain high standards for personal and professional conduct.

But he was not all seriousness. C. K. also had a wry sense of humor. In January he participated in a gathering of colleagues to consider long-range editorial goals for the *Journal*. As you might expect, there was the usual serious discussion of "editorial mission" and "positioning." C.K. brought a different perspective, uniquely appropriate to a magazine in its 20th year: "Strive to be unpredictable."

We will miss such irreverent but pertinent advice from our friend and mentor. All California will miss his dedication to public service journalism.

Political commentary, Davis style. The residents of the Northern California city of Davis near Sacramento recently had a chance to "vote" for an honorary mayor by stuffing ballot boxes with money. One dollar equaled one vote, and a citizen could vote as many times as he or she could afford. Proceeds from the "election," sponsored by the Davis Chamber of Commerce and the UC Davis Association of Students, were donated to the Association for Retarded Citizens-California (ARC-CAL), a lobbying group for children and adults with mental retardation in their families. This is all well and good, but did the sponsors signal their innermost feelings about politics and elections by making the "ballot boxes" out of miniature garbage cans?

It was murder. Sometime between the evening of April 5th and the morning of April 6th, an unknown assailant broke into the Capitol offices of GOP Assemblywoman Cathie Wright

and assassinated her pet fish. The weapon: a large rag that had been soaked with dusting fluid and jammed into the fish bowl. According to Wright's staff, the pet — an Oriental Beta fighting fish — had no known enemies despite its aggressive nature. Wright's staff notified the State Police, who sent around an investigator. To date, there are no clues as to who may have carried out this particularly gruesome form of petocide. Suicide has been ruled out. Next of kin have not been notified.

Zev Yaroslavsky must be still kicking himself in the rear because he chickened out of a race against Los Angeles Mayor Tom Bradley. Well, Bradley, 71, won an unprecedented fifth term alright, but only with 52 percent of the vote against an underfinanced platoon of opponents, the most prominent of whom were Nate Holden, a councilman and former state senator, and Baxter Ward, a former county supervisor who just last year was trounced by Mike Antonovich in an attempt to regain his supervisorial seat. Yaroslavsky backed out after polls showed there was no way anyone could beat Bradley. But the mayor suffered in the final days of the campaign from conflict-of-interest charges, and Yaroslavsky can't help but wonder how his well-financed campaign might have done. In the meantime, watch out for the rise of that quintessential Los Angeles candidate, Venus De Milo. She racked up 3.4 percent of the vote against councilman Michael Woo, who won reelection with nearly 71 percent of the vote.

Stan Statham, a Republican assemblyman, took advantage of an obscure state law that allows legislators to be deputized as judges for one day in order to perform marriage ceremonies. The Redding lawmaker took the oath on March 11th so he could preside over the marriage of his chief of staff, Pat Murphy, to Carrie Harper at the Sutter Club in Sacramento. No word on whether he also ordered anyone hanged.

The Iron Duke has been a little pugnacious of late, particularly when it comes to the press corps. Earlier this year the governor was upset because the press noted that four of five state agencies said the state had finished the last fiscal year in the red. Only the governor's own Department of Finance said the state had money to spare, as the state Constitution requires. Deukmejian labeled this an accountant's dispute and said the press corps should ignore it. Then he decided to take on the *Los Angeles Times* because the *Times* had the temerity to say the governor's budget stunk. Deukmejian wrote the *Times* twice saying if the newspaper wanted more money spent on state services, it could "put up or shut up" by donating the Times-Mirror Company's profits of more than $300 million. Well, it isn't often that we can come to the aid of the *Times*. But we just wanted to let the governor know that we are more than willing to put up our entire profits from last year to help out the state budget, if it will do any good, and if it will get

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the *Times* off the hook. The check's in the mail. Now if the *Times* would be so kind as to give us a free subscription in exchange for saving their bacon, this year we might actually *have* a profit to donate.

One of the real pleasures of being a politician must be finding work for your friends. So it was nice to see, the other day, two outstanding appointments announced. Governor George Deukmejian was able to help out old friend, political confident and former press secretary Larry Thomas by giving him a coveted seat on the 32nd District Agricultural Association board. That's the group that runs the Orange County Fair. Larry, who still goes around giving advice to politicians, is currently a vice president at the Irvine Co., which just happens to own a fair chunk of what little agricultural land remains in Orange County. And perhaps we're just being a trifle cynical when we see some sly irony in Speaker Willie Brown's appointment of former Assemblyman and Congressman Wayne Grisham to the Structural Pest Control Board. Neither job carries a salary, so the appointments must have been for love.

Last month, we inadvertently failed to acknowledge cover artist Rob Wilson. Wilson, of Sacramento, painted the scene of Assembly Speaker Willie Brown Jr. descending from the mountaintop with his tablets of "legislative reform."

"Who pays the big election expenses of ... men you send to the legislature ...? Do you imagine those who foot those huge bills are fools? Don't you know that they make sure of getting their money back, with interest, compound upon compound?"
— David Graham Phillips, 1906

Come across a blurb lately that's nosy, newsy or smart-alecky about California government, politics or politicians? Share it with the Journal. *We pay up to $25 for entertaining tidbits published in "Up Front." So, rush your items to Up Front, 1714 Capitol Avenue, Sacramento, CA 95814. Sorry, submissions cannot be returned.*

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PUBLIC-RELATIONS SPECIALISTS

Behind-the-scenes image makers

By Steven Capps

February 1987 was a busy time for Assemblyman Richard Katz. The new legislative session was just a month old, he was chairman of the Assembly's important Transportation Committee and, as usual, he had lots of ideas for legislation.

Among the bills Katz was carrying that year was one aimed at keeping toxic landfills from seeping into water systems. He considered it an important bill and knew it would take much of his and his staff's efforts to get it through that year.

Steven Capps is a Capitol correspondent for the San Francisco Examiner.

But Katz, a Panorama City Democrat, also wanted to revive another piece of legislation, one that had been defeated during the previous session. The second bill was aimed at truckers hauling sand, gravel and other materials and was designed to protect motorists and their vehicles' windshields from material spilling off of the trucks. The bill required truckers to cover their loads with tarpaulins and seal the bottoms of their truck beds to prevent spillage from underneath.

The idea pitted Katz against the trucking industry, sand-and-gravel companies and other special interests that employed professional lobbyists in the Capitol. He knew he needed public support if he was going to win the battle, but during the previous session he had been unable to generate

Photo by Rich Pedroncelli

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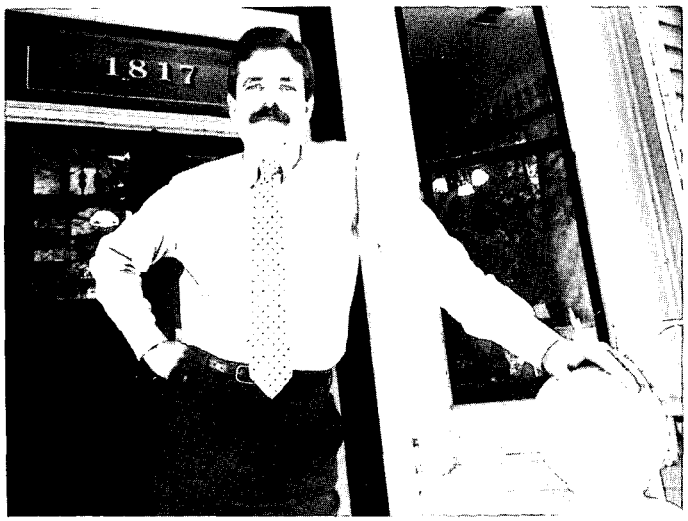
much interest in the issue.

Katz had few options. He could repeat his efforts of the previous session, but the prospects for success were about the same. He could assign members of his staff to direct a public- relations campaign in favor of the bill, but that meant pulling them off of other bills, including the toxic-landfill measure.

In February 1987 Katz decided to try a new tactic. He had his own staff continue working on other bills and turned over the public-relations campaign on the truck bill to a professional public-relations firm.

His decision to hire the firm of Stoorza, Ziegaus and



Photos by Rich Pedroncelli

McNally

Metzger was easy. He knew Bobbe Metzger, president of the Sacramento office of the firm, from her days as press secretary to Democratic Assembly Speaker Willie Brown Jr. of San Francisco. She had left the speaker's office a couple of years before to go into private practice, and the firm had become the biggest of its kind in Sacramento. Katz signed a contract with Metzger, paying her from his campaign account — not with state money — as is her policy. Working closely with him, her firm's job was to garner enough public support for his bill to beat the professional lobbyists.

The first packet of press releases went out when Katz reintroduced the measure. It explained the issue and pointed out the millions of motorists it would affect. Katz had come up with a catchy name for the new campaign — "Stop the Rocks" — and Metzger began arranging appearances for him on radio and television talk shows across the state, including David Horowitz' "Fight Back" consumer show. He wrote guest editorial pieces for big and small newspapers and argued the point before countless media editorial boards. Under Metzger's direction, he wrote letters to the editors, and was always available for interviews with reporters.

As the bill moved through the Legislature, public support grew. Metzger had even published "clip-out" advertisements in newspapers that urged consumers to let their support be known to their own legislators. Before key committee votes on the bill, Katz reminded individual members of support for the bill in their own districts — support that had been generated by Metzger's campaign.

"Once people became aware of it, it was a natural," Metzger said. "Then it was a matter of just keeping the process going."

Two years later, on the last night of the session in September 1988, the measure won final approval by the Legislature after Katz amended it to delay the effective date of the tarp requirement. A similar measure had been passed by the Maryland Legislature, but it had taken supporters 26 years to win approval. Katz did it in California in three years.

"It's important to try and get public support to overcome special interests and this is how you generate it," Katz said later in explaining his decision to hire Metzger.

Furthermore, the bill and it's attendant publicity didn't do any harm to a hard-working assemblyman who wanted to raise his profile just in case he might want to run for statewide office some day. Katz, for example, was planning to run for lieutenant governor before the incumbent, fellow Democrat Leo McCarthy, said he would run for a third term. Katz acknowledges that increasing his statewide visibility is a plus of hiring a public-relations firm, although he says "it's a real minor part."

"Its primary value is to gather interest in a particular issue at a particular time. There is no long-term benefit to what you do on a day to day basis," Katz insisted.

The lesson was not lost upon others supporting or opposing issues before the Legislature. Since then, a handful of legislators — most of them Democrats — have used or are using the same tactics with particular bills they are carrying.

A more recent example is the effort to enact legislation virtually banning assault-type weapons in California. Bills by Senate President pro Tempore David Roberti and Assemblyman Mike Roos, both Los Angeles Democrats, were introduced after January's tragic schoolyard shooting in Stockton. The bills faced a well-organized opposition by the National Rifle Association but proponents fought back with a public relations campaign of their own.

Attorney General John Van de Kamp, a proponent of the measures, hired a private firm to direct the campaign in favor of the bills. "The magnitude of the job suggested we needed help," said Duane Peterson, Van de Kamp's press secretary. Van de Kamp commissioned the San Francisco-based firm of Woodward and McDowell, which has a reputation as one of the state's leading coalition-builders.

The firm concentrated its efforts in the districts of legislators considered swing votes on the issue, primarily in Orange and San Diego counties.

"We were hired to help create a climate that would allow hesitant legislators to feel that they could cast a 'yes' vote without automatically giving up their seats," said Robert Schmidt, a veteran Capitol reporter who now works for Woodward and McDowell in Sacramento.

Metzger

PBN, another San Francisco-based firm that opened a Sacramento office in recent years, has experienced firsthand the growth in the use of professional public-relations firms for issues before the Legislature. Among its clients are a coalition of companies affected by Proposition 65, the toxics initiative, and GTech, the company with the State Lottery Commission's on-line computer contract.

"Many of our clients come to us when there is a piece of legislation or a development on the regulatory front," said John Jervis, who heads up the firm's Sacramento office. Jervis is no stranger to the inner workings of state government. Before joining PBN, he was then-state Controller Ken Cory's press secretary.

"About every client we have in this office has got a

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lobbyist," Jervis said. Use of firms like his offers clients a two-pronged attack on state issues. Their lobbyists handle the Legislature, and the public-relations firms handle the media and public relations.

Jervis

"One of the reasons is that lobbyists have figured out that if they have a decent story to tell about a public policy issue, it enhances what they're doing in the world of state government," Jervis said.

The industry has grown to the point where it is no longer uncommon to find public-relations firms battling it out on both sides of pending special interest legislation.

PBN, for example, is representing the major oil companies in their dispute with independent service station operators over the extent to which the majors should be allowed to own and operate their own retail outlets. The independents, on the other hand, are represented by Townsend & Company, headed by campaign consultant David Townsend, who also directs campaigns for Democrats and on behalf of initiative measures.

Townsend, like most of the others in this line of work, does not lobby directly for the bills and issues he promotes. Instead, the organization prepared informational packets for the press and enticed reporters to a press conference by pasting the announcement around cans of motor oil that were distributed to each member of the Capitol press corps.

Most in this line of work feel they can be more effective if they are not involved in the actual lobbying. Others just don't want to be identified that closely with some issues.

Metzger, for example, said that while she said she would feel uncomfortable as a lobbyist arguing for an issue she might not believe in, as a public-relations specialist, "I really believe that any issue is entitled to an airing."

"I chose not to lobby for bills, I'd be uncomfortable with that, especially if a bill I didn't agree with passed. But I think all issues deserve a fair hearing, and then the public can decide," she added.

Stoorza, Ziegaus and Metzger is an outgrowth of a 15-year-old firm started by Gail Stoorza in San Diego. Stoorza saw the potential for growth in Sacramento and asked Metzger to join the firm about four years ago.

"The world was becoming very complicated — so many forms of media, so many issues," Metzger recalled. "It was getting really tough to break out in the media, particularly on issues."

Considering the complexity of California's state government — its bureaucracy is second only to the federal government's in sheer size — the Capitol Press Corps is relatively small, with about 75 reporters for newspapers, television stations and radio stations assigned to the beat full time.

Competition for their time and interest is intense. Public-relations firms strive to present their clients' positions in such a way as to catch the attention of reporters, and perhaps reduce the time it takes to research a given issue and do a story. "We make it easier," Metzger said.

Metzger, for example, will host informal dinners at her house where client-legislators can get to meet journalists in a casual setting. Usually there is no immediate news out of these events, but reporters get exposed to a politician they might have ignored before, and Metzger's clients often find it much easier to get their names in the news.

Ray McNally opened a political advertising firm in Sacramento in 1980 and four years later branched out into the area of public relations. He saw the need for such firms close to the Capitol. He suspects "people are becoming more sophisticated and understand the need to organize and get their views out. They have seen that these kinds of efforts can be successful."

McNally's clients, which include insurance interests, come to him for different reasons, but legislative developments "in a lot of cases [is] what causes them to take action, when all of a sudden there is a piece of legislation that affects them."

Clients also may seek his help before something happens in the Legislature. "They see the kinds of troubles that could emerge in the future," he said. "I think [a public relations campaign] can really complement a lobbying effort . . . and build and mobilize grass-roots efforts."

In the world of partisan politics, directors of the firms say they try to walk a fine line between issues and interests. Metzger's firm usually handles Democrats while McNally's is aligned with Republicans. But both say they are nonpartisan.

"There are Democrats I wouldn't work for and there are Republicans I wouldn't work for," Metzger said.

Jervis' firm has not represented individual legislators. "Our attitude is it's a fine line that we don't want to cross," he said. "If you get involved in partisan campaigns, you get labeled and we don't want to do that."

Still, prospects are that more and more legislators will turn to professional firms for specific public information campaigns. "It's a combination of expertise and time," said Katz. "My staff just doesn't have the time to focus on one issue."

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Community based mental health

A promise unfulfilled

By Gale Cook

"Stop that!" a harassed mother cries to her misbehaving child. "You'll drive me to Stockton!"

Read that "drive me crazy," a commonplace family scolding in the San Joaquin Valley of the 1930s. Mother meant the state's oldest insane asylum, an institutional warehouse for which Stockton was better known than for its preferred role as "California's inland port." The hospital opened in 1851 with six patients, peaked in 1956 with 4878.

Alan Short, growing up in Stockton unaware of his future as a mental-health reformer, remembers the state hospital as one of the city's biggest employers. Yet most of its workers seemed to be inmate patients, like janitors and clerks, or field hands on the hospital's farm.

Short first looked inside the steel-fenced grounds as a student at the old College of Pacific. He toured the antiquated hospital with a psychology class, gaining an impression of neglect and hopelessness that remains vivid today as he nears 70. Later, in the San Joaquin County district attorney's office, he dealt with *habeas corpus* appeals from mental patients committed to the hospital by a court or a "lunacy commission" in hearings that sometimes lasted no longer than one minute.

"I hoped I could do something about that," Short said when he went to the state Senate as a Democrat in 1955. There he met an Assembly Republican from Contra Costa County, Donald Doyle, who had a similar interest. Their names are tombstoned on historic legislation — the Short-Doyle Act, passed in June 1957 and signed into law by Governor Goodwin Knight as the original Community Mental Health Services Act.

The Act initiated a program that eventually would sweep California and much of the nation, even pushed by President John Kennedy. Its keystone theory was that mental illness should be deinstitutionalized." All but dangerous patients should be released from state hospitals, Short-Doyle said, and should be treated instead in the warmer, familiar surroundings of their own communities.

That legislation coincided with beginnings of a new

Gale Cook is a freelance writer in Sacramento.

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treatment for mental illness: chemically induced tranquility. The medicine men turned to psychotropic drugs like thorazine which quieted the demons in many patients, made them calm, tractable and able to live in society.

Massive changes took place in the next decade. California's state mental hospitals were emptied. They held 38,000 patients in 1959. The population today is only 5000, half of them prison crazies or insanity plea criminals. Mental-health treatment outside of state hospitals now is an $800-million maze of many latory local programs. The state pays 90 percent, local government 10 percent.

In 1962 Social Security was amended to provide grants to the mentally disabled. Patrick Purdy, the deranged man who sprayed a Stockton schoolyard with an AK47, killing five children before taking his own life, reportedly received $672 a month in such grants. Homicide Detective Captain Dennis Perry of the Stockton police homicide squad says the Social Security Administration has refused to discuss the matter.

"It would be nice to know some of these things in advance," Perry says, referring to state and federally legislated secrecy concerning most records of the mentally ill.

In Ronald Reagan's second term as governor, the Legislature adopted what was hailed by supporters as the "Magna Carta of patients' rights" — the Lanterman-Petris-Short Act of 1968. Short's co-authors were the late Assemblyman Frank Lanterman, a Los Angeles Republican, and Senator (then Assemblyman) Nicholas Petris, a Democrat from Oakland. LPS just about ended the involuntary commitment of the mentally ill. Full court hearings are required now for commitments of more than 14 days.

LPS, Short-Doyle and its fine tuning, in the words of Ned Cohen, chief consultant to the Legislature's Joint Commission for Revision of the Penal Code, emerged through "a strange coalition of liberals and conservatives;" liberals who believe that "any treatment that isn't voluntary is wrong," and conservatives who saw a way to save tax dollars.

After three decades of the New Wave, there are grave problems. Something isn't working. The old hospital snakepits have been closed. The community system is in place, at enormous cost, but it is not healing the mentally disordered, often not even helping them. The evidence is compelling that men and women with severe mental illnesses comprise 30 percent of the homeless wanderers on city streets. Jails are often today's asylums.

Continued on next page

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And there isn't bed space in California's five remaining state mental hospitals for severely disordered persons whom counties want to commit for treatment. Over-loaded San Francisco, which treats 20,000 mental patients each year, is on the state's "two-for-one diet;" it has to remove two patients for every new commitment to Napa State Hospital.

Lanterman

"It's a disaster," says Arthur Bolton, former chief of the Assembly Office of Research and long-time mental health consultant. "A lot of things have gone wrong. Asking what's wrong is like asking what was wrong with the Vietnam War... Part of it is, we are dealing with a problem we don't know how to fix. We know less about serious mental illness than we do about cancer. We just had a redistribution of the resources (in the shift to a community service system). It's a process-oriented system, not an outcome system."

Dr. E. Fuller Torrey, a psychiatrist who has written a frightening book about the homeless mentally ill, "Nowhere To Go," has been ringing alarm bells on national TV, including the CBS Evening News and the Geraldo Rivera show.

Says Torrey: "All we did was empty out the state hospitals. We left these people with nothing. Really we just depopulated. We opened up the gates. We wished them well and hoped that they would disappear. Jail is the place where they send people [now] when nobody else wants to see them."

Most other big states still spend most of their mental health money on state programs, though. New York maintains 33 state mental hospitals.

Cost alone prohibits a return to the former system here. In 1958 the state mental-health budget was $70 million. Today it is close to $1.2 billion, counting community programs and $350 million for the five state mental hospitals. There used to be 10.

This is not too far out of line, considering that the California price index has risen 331 percent since 1958 and the state's population has almost doubled to 28 million. But look at something really scary:

There are an estimated 600,000 mentally ill persons in California today, perhaps 50,000 of them severely disordered and in need of care. In 1958 the average cost of keeping a patient in a state mental hospital for a year was $1981. Today it is nearly $80,000.

"Imagine 50,000 patients in state hospitals at $80,000 a year," suggests Bolton. The cost would be $4 billion. The cost of operating the state's mental hospitals has increased almost 10 times the rate of inflation. Dr. Michael O'Connor, director of mental health, says this occurred through calculated upgrading of the hospitals in staffing and equipment in order to have them licensed, certified for federal funds and nationally accredited, as all five are today.

Richard Gilberg, chief of county operations in the Department of Mental Health, has seen all of it since he came aboard in 1957. "The old hospitals were like independent feudal baronies," he recalls. "The superintendent was like a king; he frequently dealt directly with the Legislature. Mental hygiene used to be part of the Department of Institutions, which ran both the prisons and the hospitals. Like wardens of today, the physician-hospital superintendents were appointed directly by the governor."

National stature was attained by some superintendents like the late Dr. Walter Rapaport — the eminent, autocratic chief of Agnews at San Jose. When an on-leave woman mental patient charged molestation at Agnews, Gilberg says, Rapaport had her picked up and put in Napa, where she could not bother the Agnews staff.

Once, Gilberg was sent to check on a 60-year-old man on home-leave from Agnews. "The diagnosis was schizo-paranoid with delusions of grandeur. His delusion was that he was an author. I still have a book autographed by that man. He had written *fifty* books. The man had a urinary tract infection. The medication had produced a toxic reaction and he ended up in Agnews. In the system, they treated you for mental illness; they didn't ask how you got there."

Mental health was popularized in magazines, books and films in the era that saw adoption of Short-Doyle, Gilberg says. The hospitals at that time were largely poor houses. When the shakeout of state hospitals began, the first drive was to move elderly patients to foster homes. Gilberg remembers placing two old women with a foster family. One had been hospitalized 37 years, the other 30; they had nowhere to go.

In the early years of Short-Doyle, counties participated reluctantly. At first the state offered a 50-50 match on funding, then 75-25. State-run local clinics were closed to force communities into action. Finally the fund match became 90-10, with no choice.

"We were literally giving money away [to bring the counties in]," Gilberg says. "The Short-Doyle clinics at first were not seen as an alternative to the state system. They were seen as a means to prevent state hospitals from being over-

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crowded. Preventative. Don't let people get too sick.

"My personal opinion, the system worked reasonably well [in the first few years] ... When Lanterman-Petris-Short came in and treatment became voluntary, all of a sudden the system flip-flopped and the patients had all the power.

"To me, it wasn't deinstitutionalization that caused the problems in the streets. Now (with LPS) the patients had all the rights and with that came, in some cases, violations of community rights. You no longer had the right to lock up the bizarre, offensive, noisy, sometimes violent person.

"The thing that always intellectually intrigued me is that in our society you come up against contradictory forces. One of the great contradictions is, we say mental illness is an impairment of a person's capacity, yet that person has a right to self-determination. Patients continuously stop medication, they feel good so they stop, yet you can't make them take it."

Alan Short says the state failed to fund Short-Doyle adequately. "Goddam it, the money was to follow the patient, and they didn't do it. The money for counseling, the money for medication didn't follow the patient. But without this program we'd have hospitals springing up like new prisons today."

Obvious problems in California's mental health system face the state Legislature. It is in no hurry. The January carnage at Stockton Elementary School prompted not measures to deal with mental illness, but bills to outlaw semi-automatic firearms.

The courts recently held unconstitutional 1985 legislation that authorized commitment to a state hospital as a condition of parole for prisoners with serious mental disorders. Senator Dan McCorquodale, a San Jose Democrat, is pressing an urgency bill to reinstate the mentally disordered offenders bill, clarifying the dangerous nature of such parolees.

In 1987 a task force created by Lieutenant Governor Leo McCarthy concluded that California has "a poorly designed system that offers only fragments of service to people who require continuing and comprehensive attention." What's needed, this blue-ribbon commission concluded, is an "integrated service system" of one-stop-shopping for the mentally ill, coordinating medical treatment, counseling, money management, housing, education and job training.

Another bill, AB3777 by Assemblywoman Cathy Wright, a Simi Valley Republican, and many co-authors, authorized up to six pilot programs with in-home services programs to be run by private contractors. An uncertain $9 million was proposed for AB3777 in the 1989-90 budget.

O'Connor, the mental-health director, banks heavily on that program. "In my opinion the community policy was correct," he says. "The pitfall was, we never did get all the range of services; the policy never was fully implemented. There are people in this country, in California, in the Legislature and executive branch, who are powerful, who believe the policy was wrong, that we should reinstitutionalize." O'Connor notes that in Japan the entire program is hospitals. "You don't see any homeless in Japan," he says.

O'Connor acknowledges wide disagreement over Lanterman-Petris-Short patient rights. He says he has concluded that some restrictions on involuntary treatment should be lifted, "but in no way would I diminish due process."

Ned Cohen of the Legislature's joint committee on penal code revision says immediate changes are not in the cards. "It's a very emotional issue," he says. "Any significant changes are at least two years down the road."

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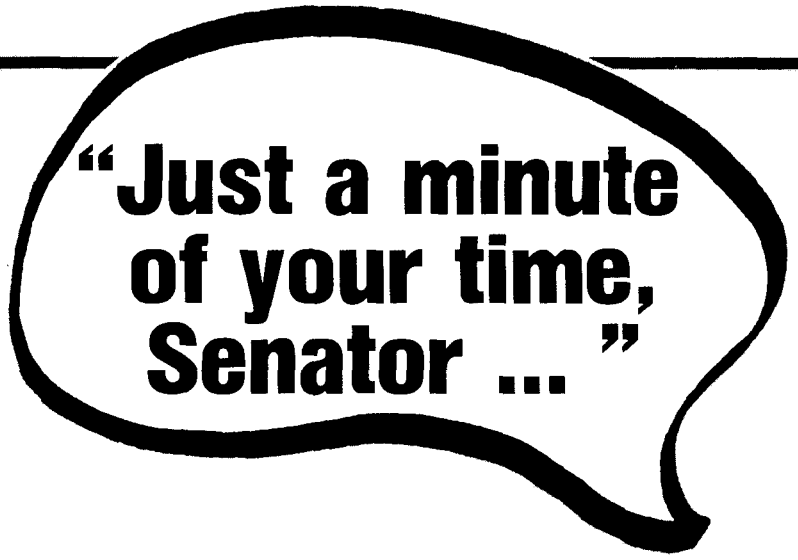

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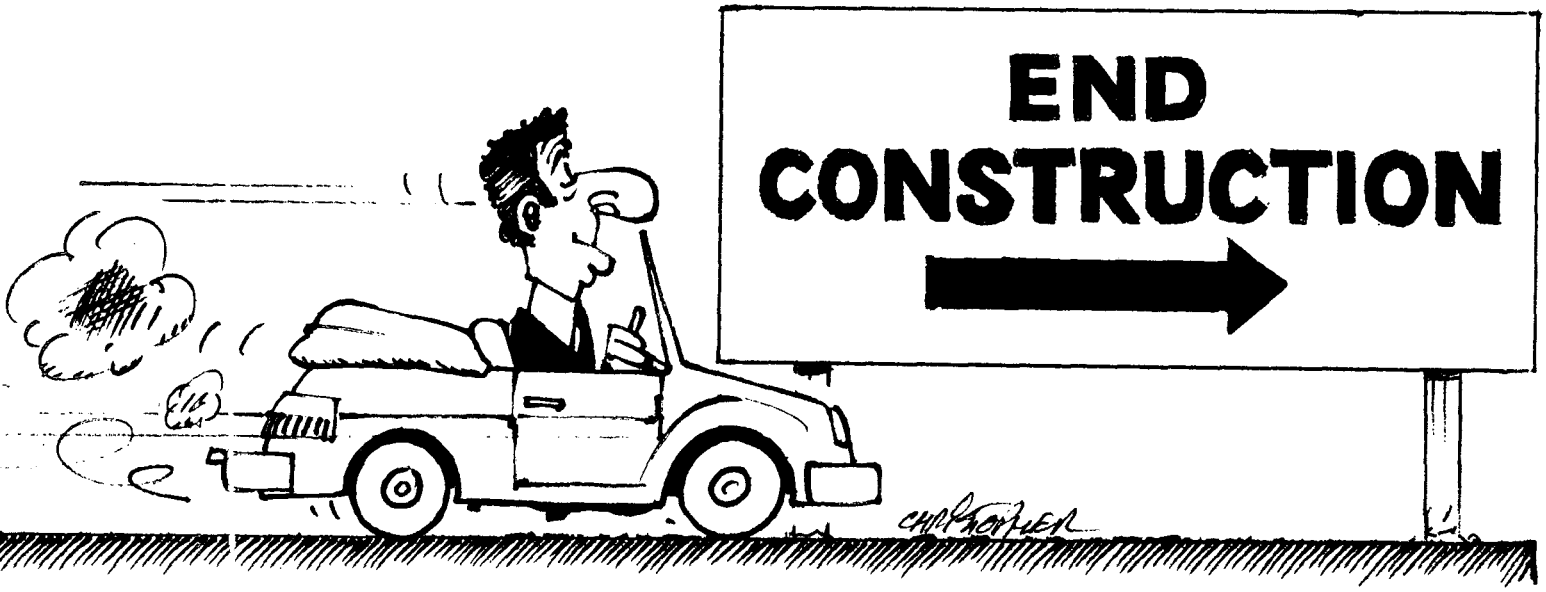

THE STATE'S BANKRUPT HIGHWAY BUDGET

Driving off the deep end

By Dan Smith

"Speed laws have no terrors for the Reverend Robert Burdette when he has an appointment for a prayer meeting at the Temple Baptist Church. His big Packard touring car brought him from the Grant Hotel in San Diego to the Temple at Fifth and Olive Streets in Los Angeles in 11 hours and 15 minutes, a distance of 202 miles over the road traveled."

Reverend Burdette's account was duly reported in the May 1909 issue of *Touring Topics*, the magazine of the Automobile Club of Southern California. But if the present grim projections for California's urban highways hold true, the Baptist preacher of 2009 may take 10 hours and 39 minutes to make the same arduous journey.

In a year of political-corruption investigations, speakership fights, assault-weapon bans, insurance reform and looming budget cuts for health and welfare services, worsening traffic congestion and the decision-making gridlock over how to pay for highway improvements have clearly emerged at the top of state government's agenda.

The most commonly cited gloom-and-doom statistic — that the current average Southern California freeway speed of 35 miles per hour will drop to 19 miles per hour by 2010 — has begun to translate into real-life highway horror. Inland Southern California commuters, for instance, are beginning their morning journey at 3 a.m. or earlier to beat the freeway congestion. If all goes well, they catch an hour or two of extra sleep in their cars parked in their employers' parking lots. It's not exactly the kind of "quality of life" in California that businesses and governments like to brag about.

Most sharply at the crossroads is Republican Governor George Deukmejian who, with less than two years remaining in his tenure, faces the prospect of vacating office with the highway system under-built, under-financed and in a state of fiscal collapse that exceeds even the wildest dreams of former Governor Jerry Brown's most strident political enemies.

These Brown enemies have long blamed the former governor, his embattled transportation chief, Adriana Gianturco, and their shared "go slow" attitude toward highways for the state's transportation woes. But as 1989 dawned the records of Brown and Deukmejian on highways played a nearly identical tune. Indeed, the two men are beginning to sound downright harmonious.

According to Caltrans figures compiled for the Orange County *Register*, Deukmejian has built and rehabilitated 4602 miles of highway during his six years in office — just 52 more miles than

Continued on next page

Dan Smith is Capitol correspondent for the Riverside Press Enterprise.

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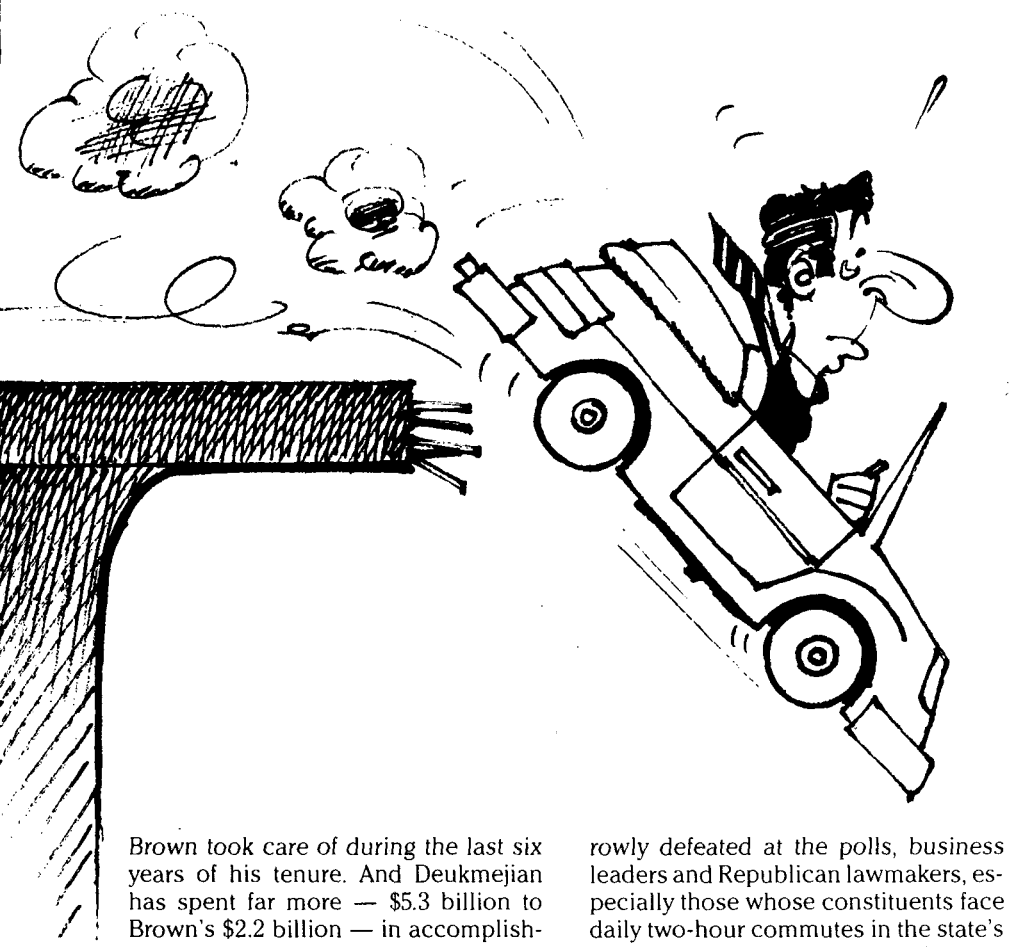

Brown took care of during the last six years of his tenure. And Deukmejian has spent far more — $5.3 billion to Brown's $2.2 billion — in accomplishing virtually the same results. Moreover, Deukmejian's road program has been fueled by extra revenue from a two-cents-a-gallon tax increase signed by Brown in 1982.

Deukmejian and his newly appointed Caltrans director, Robert Best, have resorted to Brown and Gianturco methods the Republican governor called "exotic" in 1983: more emphasis on car pooling, high-occupancy-vehicle lanes, mass transit and computerized traffic-management systems, and less reliance on concrete by the ton.

Still, Deukmejian remains a man alone in the wilderness on the subject of highway financing.

His traditional allies in the business community stood cautiously by his side last June when Deukmejian pulled out all the stops to win voter approval of a $1-billion bond measure for highways. Bonds have long been a favorite of Deukmejian. They substitute for tax increases and are not affected by the state's constitutional Gann spending limit. To entice voters to his way of thinking, Deukmejian boarded helicopters during drive time in Los Angeles and the San Francisco Bay Area, reminding radio listeners of the growing traffic nightmare they knew all too well.

But after Proposition 74 was narrowly defeated at the polls, business leaders and Republican lawmakers, especially those whose constituents face daily two-hour commutes in the state's urban centers and suburban bedrooms, began to coalesce around what seemed to be an obvious answer — an increase in the state's nine-cents-a-gallon gasoline tax.

Republicans and Democrats worked feverishly last summer on a last-minute proposal to raise the gas tax and amend the Gann limit on the November ballot. But just when it seemed they had agreed on a gradual eight-cents-a-gallon increase over four years, Deukmejian scuttled their plans with a renewed vow to veto any tax increase. That left the negotiators with one ultimately unrealistic option — writing the tax increase into the constitution through an amendment that would need voter approval, but not Deukmejian's.

Meanwhile, the transportation lobby, Caltrans and Deukmejian's own Transportation Commission were busy with their calculators trying to find out just how bad things were. They concluded that the state was short $3.5 billion if it wanted to keep up with the five-year master plan for highway and mass-transit improvements. By January the estimate had grown to $4.5 billion and Legislative Analyst Elizabeth Hill said the five-year shortfall could be as high as $6 billion. Caltrans officials estimated that unless more money is raised, all building activity will cease early next year.

"If there is not agreement this legislative session, we will face significant cuts," Martin Kiff, chief of Caltrans' Division of Budget Development and Management, told the Transportation Commission in January. "We are at the cliff. We've taken it as far as we can go without going belly up."

Deukmejian began the year with a pledge to work more closely with the Democratic-controlled Legislature and established a 30-member working group of transportation officials, business leaders and legislators that held a series of summit meetings to tackle the highway problem. His budget proposal called for the delay of $600 million worth of highway projects, deferring preventative maintenance projects and stopping all special studies and preliminary planning usually done at least five years in advance of a project's construction.

But Deukmejian, in a baffling press conference just days after the second summit meeting in March, curiously downplayed the seriousness of the situation, contradicting the public statements of his own administration, Caltrans and the Transportation Commission he appoints.

"We still have a tremendous building program that goes on every year with all the revenues that are coming in, and it isn't that we aren't going to have any money or any construction program," the governor said. "There are literally hundreds of millions of dollars coming into the system by virtue of taxes people now pay. Those funds are going to be available to carry on the highway program."

The nine-member Transportation Commission briefly proposed that the state borrow reserve funds from counties whose voters have approved local sales-tax increases for transportation. Under the plan, when state revenues increase, presumably next year, the money would be repaid, with interest. When local officials and newspaper editorials in the affected counties shouted down the plan, the commission backed off, less than a week after proposing a study of the idea.

Faced with continuing inaction by state government, local voters are becoming more willing to increase their sales taxes to pay for road improvements. Twelve counties now levy an extra half or full penny on the dollar for roads. In one of the most telling examples of how badly voters are willing to tax themselves for gridlock relief, a half-cent sales-tax measure won 78 percent

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of the vote in rapidly growing and increasingly congested Riverside County last November. If state funds dry up, the sales-tax counties may be the only ones with any new road construction come 1991.

Otherwise, voters seem willing to approve some sort of gasoline-tax increase, although the limits of their generosity are unclear.

A poll commissioned by Californians for Better Transportation last Fall found that while 70 percent statewide believed more should be spent on transportation, 57 percent favor the pay-as-you-go concept of the gasoline tax and a majority would approve a three-cents-a-gallon hike, a six-cents-a-gallon measure would go down in flames. More recently, Mervin Field's California Poll reached a similar conclusion. A five-cent increase would pass 55 percent to 42 percent, but a dime-a-gallon hike would lose 59 percent to 36 percent. Perhaps most importantly, a whopping 73 percent said the voters should decide on the gas-tax increase, while only 21 percent would leave the decision to a two-thirds majority of the legislature.

Best

A strong argument can be made for increasing the state's 66-year-old gasoline tax. California ranks last in the nation in per-capita transportation spending, including the District of Columbia. Its nine-cents-a-gallon gas tax is the fifth lowest, higher than only those in Alaska, Wyoming, Georgia and New York. Moreover, even though miles travelled increased about 150 percent between 1964 and 1984 and the amount of annual revenue from the gas nearly doubled in current dollars, its value in constant dollars is less than half of what it was in 1964. California motorists are driving more than they did 20 years ago, but because of the more fuel-efficient automobiles, they pay about the same amount each year in gasoline taxes.

Most fiscal experts see the gasoline tax as the classic user fee, although Deukmejian has called the tax the most regressive form of taxation possible because lower-income drivers spend a larger percentage of their income on gasoline taxes than their higher-income counterparts. He has also argued that gasoline taxes unfairly penalize rural residents because they tend to drive more than urban dwellers.

Field's poll was a boost for Deukmejian, who has steadfastly opposed any gasoline-tax proposal unless it is put to the voters.

Some of the governor's closest allies disagree with him on that score. "I think we're elected up here to make decisions," said Republican Assemblyman David Kelley of Hemet, who has introduced a gas-tax increase bill. "We make tough votes all the time and the public expects that. We have to bite the bullet and raise the money."

But as the third and final summit meeting began early last month, just when it seemed the governor was willing to take the lead and support a multi-faceted plan to raise more transportation money, he punted.

His office produced an unsigned "white paper" detailing a plan to raise $20 billion over 10 years — $12.9 billion from an immediate five-cents-per-gallon gas-tax increase that would rise in five years to nine-cents-a-gallon, $4.1 billion from a gradual increase in truck weight fees, $600 million from dedicating to transportation the sales tax on the gas-tax increase and $2.4 billion from bonds, all to be put before voters at a special election in November. The tax increases would be written into a constitutional amendment, which also would exempt the new revenue from the Gann limit.

The essence of the package was quickly embraced by summit participants and legislators from both parties, who appeared delighted that Deukmejian was apparently no longer going to stand in the way of a plan to boost transportation revenues.

But then, in a bizarre maneuver, Deukmejian disclaimed the package was his own, refused to say if he would support it and claimed it was only "a consensus as I understood it of the priorities" expressed by the summit participants.

In a shocking self-evaluation of his clout with voters, Deukmejian chastised reporters for focusing on his position. "Get off this business of whether the governor supports this or doesn't...The public could care less about that. The public cares about whether we're going to do anything to improve the transportation network," he said.

He did concede that the special election was his idea, "to focus the attention of everybody on the transportation issue," although skeptics believe the motivation may include the prospects of a Republican-sponsored reapportionment-reform initiative appearing on the same ballot.

Deukmejian also suggested putting the whole package into one constitutional amendment "in order for the public to fully understand what they're voting for," although Assembly Transportation Committee Chairman Richard Katz, a Panorama City Democrat, suggested it may be a ploy to keep Deukmejian's fingerprints off the plan because a constitutional amendment does not require the governor's signature to go on the ballot.

"The idea of putting the gas tax and an expenditure plan in the Constitution is a little bit nuts. The Constitution wasn't designed to do that," said Katz.

The governor's decision to disown the proposal caught even Republican leaders by surprise. In the two hours between the time Deukmejian unveiled his "assessments" and then refused to embrace them, Assembly Minority Leader Ross Johnson and Senate Minority Leader Ken Maddy issued press releases praising the governor for bold leadership. "I'm pleased Governor Deukmejian has offered this statesmanlike plan to meet our transportation plan," Johnson's release said.

With or without Deukmejian's support, legislative approval and ultimate success of the "white paper" approach, carried by Republican Senator William Campbell of Industry, or of separate financing plans proposed by Katz or Senator Quentin Kopp, a San Francisco independent, is likely to depend on how the Gann spending limit is modified.

The white paper calls for a transportation-only exemption, although a majority of legislative Democrats, health and welfare advocates, higher-education boosters and some business groups favor a broader change, or even a repeal of the 1979 spending limit. The education community, which won its Gann battle through Proposition 98 last Fall, is likely to oppose any change that would chip away at those gains, which could threaten the chances for voter approval of a transportation package, especially at a low-turnout special election.

And legislators and Deukmejian are far from agreement on that. Although Deukmejian in his state-of-the-state message called for negotiations on the Gann limit, discussions have stalled and the subject was largely ignored in the transportation summit meetings.

"It is not terribly difficult to come up with a transportation spending plan or even a revenue plan," Katz said. "The tough questions are how you deal with Gann...and that got the shortest amount of time out of the three meetings. I think the public has a every right to be a little frustrated. The public ought to demand that elected leaders put forth specific solutions that they can react to."

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California Transportation Commission: A study in conflicts

While Governor George Deukmejian and the Legislature look for ways to prevent the highway-building program from stalling early next year, the nine people charged with spending transportation money are having their own problems.

Three of the nine California Transportation Commissioners appointed by Deukmejian have struggled with conflict-of-interest questions. Two of them, Chairman Joe Duffel of Orinda and immediate past Chairman J. Thomas Hawthorne of San Diego, are under investigation by the Fair Political Practices Commission.

Meanwhile, Senator Quentin Kopp, the San Francisco independent who heads the Senate Transportation Committee, has included in his highway financing bill a provision to sharply curtail the commission's power to choose which state highway and mass-transit projects will be built. Instead, each county would be allocated a portion of the state money, and local transportation commissions would decide which projects to build. Kopp initially pondered turning over the function to lawmakers, creating a pork-barrel bonanza among legislators for billions of transportation dollars.

Hawthorne came under fire in his second-term Senate confirmation hearing for voting on projects that would benefit his road-building equipment company. State Senate investigators found that Hawthorne continued to vote on highway projects in San Diego County, despite evidence that his Caterpillar dealership, Hawthorne Machinery, provides equipment for 90 percent of the state highway projects built in the county.

The issue first arose in 1985, and the FPPC sent Hawthorne a five-page letter advising him to abstain from voting on San Diego County projects. Hawthorne abstained from the next four votes involving San Diego, but then resumed voting. The Senate voted 28-0 in January to confirm Hawthorne to a second term, but the FPPC has resumed its investigation.

After the vote, Hawthorne said he would "be a little more attentive" in voting on projects, but added that if his vote was needed to insure a San Diego County project is approved, "I'll pay the [FPPC] fine and vote."

Duffel was accused of voting on highway improvements that directly benefitted his vast real estate holdings in the Bay Area. The Transportation Commission staff, at the request of Senate investigators, found that Duffel had voted to approve $386.7-million worth of projects planned for within five miles of his properties. In 1986 Duffel and the commissioners voted to add one project, a $3.7 million freeway interchange at the intersection adjacent to Duffel's hotel in Napa, to the five-year State Transportation Improvement Plan.

Duffel told the Senate Rules Committee he thought the interchange would actually hurt his business because traffic would be able to speed by the motel instead of stopping at the stoplight as it does now. Duffel said he voted on other projects because he did not want to "showboat" his real estate assets by abstaining on votes. Furthermore, he said, he voted because the items were on the commission's "consent" calendar and there was no opposition to them from other commissioners.

Nearly all the projects before the commission, tens of millions of dollars worth each month, are listed on the consent calendar and are approved with one voice vote. And commissioners rarely cast a dissenting vote. A review of the minutes of the panel's 12 meetings in 1988 found that only 13 dissenting votes were cast all year. The FPPC is investigating Duffel's holdings and his commission votes.

Commissioner Margie L. Handley, a concrete and asphalt contractor in the northern California city of Willits, survived a stormy hearing in the Senate in 1987 over allegations that she used her influence as a commissioner to obtain state road-building contracts.

Handley's competitors charged that she used her connections to find out in advance which highway projects were ready for construction in Humboldt, Mendocino and Lake counties. Her company, Hot Rocks Inc., then would buy up rights to gravel and rock quarries close to the projects, allowing her to consistently submit the lowest bids to provide asphalt and concrete to the projects, her critics charged. The amount of business Hot Rocks does with the state quadrupled between 1985 — the year before Handley became a commissioner — and 1987. Moreover, critics charged that Handley has pushed the commission to schedule construction of the so-called Willits Bypass, a freeway extension of U.S. Route 101 that is likely to run through property owned by Handley and her father, wealthy financier Robert E. Harrah.

Handley denied using undue influence in obtaining the state contracts, charging that the allegations were the result of "sour grapes" from competing companies. She also denied influence on the Willits Bypass project. Handley abstains from voting on projects in any county in which Hot Rocks does business.

While Kopp has said the conflict-of-interest allegations bother him, a primary motivation behind his proposal is what he believes is the commission's abdication of leadership on the financing question.

"It's not genuinely an independent agency as it was promulgated and that's troubling. It's dependent on the governor," he said. "I talked to several members of the commission after I introduced my legislation [to increase the gasoline tax] and they applauded me. Several days later they said they couldn't say anything."

Robert Nielsen, former executive director of the commission, agreed. "Many of them privately support a gasoline tax increase. But they won't say anything until the governor gives the word."

Another example occurred in March 1988 when commissioners initially voted to support Proposition 72 on the June ballot. Deukmejian opposed the initiative, and it was eventually defeated at the polls. The measure would have required all sales tax charged on gasoline to be spent on highways. Later in the same meeting, at the suggestion of Chairman Hawthorne, the commission's support was rescinded and discussion delayed until April. The April discussion was put off until May, when the commission voted 5-3 to table the matter.

"People who have known or have generally supported the governor get appointed," conceded Commissioner and former Assemblyman William Bagley. "A commission appointed by the governor is not going to pull the rug out from under the governor — any governor." — *Dan Smith*

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Monterey Park:

The rise and fall of an All-American City

By Tom Waldman

Four years ago, a rising political star named Lily Chen invited dozens of her close friends from the media and government to a mid-week, afternoon party in the council chambers of Monterey Park City Hall. Balloons, punch and cookies accompanied the news that *USA Today* and the Citizens Forum on Self-Government had selected Monterey Park as one of eight "All-American cities." Chen, who in 1983 became the first female Chinese-American mayor in the country, joined other dignitaries in commending residents for having achieved racial and ethnic harmony. The collected audience — Latinos, Chinese-Americans, Japanese-Americans and Caucasians — cheered. A story that ran at the time in *USA Today*, "Monterey Park, Calif: Ethnic Mix a Success," seemed accurate.

In 1989 all that remains standing from the above scene is *USA Today*. Chen suffered crushing defeats in 1986 (city council race) and 1988 (Democratic congressional primary against Marty Martinez). Her once-bright career appears over.

During the same period, race relations in Monterey Park have gone from harmonious to discordant. Rare is the council meeting that does not include at least one nasty exchange over Chinese-language business signs or English-only movements. These battles often pit Caucasian Mayor Barry Hatch against Chinese-American Councilwoman Judy Chu.

The balloons have burst, the cookies are stale, the punch is flat. Monterey Park, proclaimed by its own people to be the only city in America with an Asian majority, is no longer such a happy place. The 1986 election of Hatch launched an aggressive campaign against "immigrants" that has the All-American city reeling. Reporters now come to Monterey Park searching for signs of trouble.

With California's growing Asian

Tom Waldman is a freelance writer from Los Angeles and a frequent contributor to California Journal.

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PACIFIC BELL

population making tentative moves into politics, the trials of Monterey Park have meaning beyond its city limits. The city provides an early test whether peaceful co-existence and acceptable power-sharing arrangements are possible. Which will prevail: Monterey Park circa 1985, or Monterey Park circa 1989?

Barry Hatch's detractors — embarrassed for the city and themselves — consider his 1986 election to be a classic case of disguised intentions. The man who has since become the anti-immigrant mayor billed himself as an anti-development candidate. Hatch, Pat Reichenberger and Chris Houseman — each of them winners — issued joint campaign literature replete with attacks on "big buck developers" and their powerful supporters, one of whom was then-incumbent Lily Chen. Voters were urged to "save Monterey Park," not from new arrivals who spoke no English but from noise, air pollution and overcrowding.

Like Los Angeles, its immediate neighbor to the west, Monterey Park by the mid-1980s had for many become an intolerable hub of commotion. Hatch and the other anti-growth candidates made no overt appeals to race in seeking support from the long-time residents who recalled the good old sleepy days. One campaign piece pointedly featured a Latino family and an Asian woman as examples of plain folk victimized by the developer class and its city council cronies. "Many of the residents, myself included, have had problems with development in the city," said Judy Chu. "I heard these complaints across ethnic groups."

And Hatch, who is mayor on a rotating basis until July, kept his campaign promises. Monterey Park declined from an all-time high of almost $43 million in new commercial development in 1985 to barely $3 million in 1988. The council's moratorium on development has been so successful that Judy Chu says it's time to ease the controls, that in the long run Monterey Park will be financially crippled if it continues to say "no" to every big developer who comes through town. Discussions continue on the best general plan for a city of 63,000 that embodies many of the changes that have occurred in Southern California during the past 15 years.

Viewed from 1989, however, Hatch's triumphant assault on the development industry has been less characteristic of his reign than have subsequent battles against immigrants and immigration policy, which is not so much his cause as his obsession. "We have lost control of the destiny of our country," he says.

But if Hatch's most notorious agenda came as a surprise to Monterey Park residents, it obviously has struck a responsive chord with a substantial portion of the community. Although his attempts to impose restrictions on foreign influences have met with failure, so too have his opponents attempts to oust him from office. A recall effort against him failed, and he says he intends to run for reelection in 1990. If the more progressive elements of the community think his positions unseemly, those positions have apparently tapped into a real strain of concern among Monterey Park residents who find society is changing around them faster than they can adjust to it.

Furthermore, Hatch has made it clear that the complaints about his activities will not deter him. He presses his positions to outside audiences and to his colleagues. For instance, Hatch routinely asks the council to support him in a resolution declaring that business signs be limited to one-third foreign letters and two-thirds English. The anger can be heard in his voice when he discusses the growing number of restaurants, markets and shopping centers with Chinese characters on their signs. But this proposal has run into objections from the city's lawyers on the grounds that it would violate First Amendment rights, and their objections have so far been sufficient to cause the city council to retreat.

Chu

Chen

Hatch refuses to be dissuaded by questions of constitutional law. He keeps pushing, though at least three of the five members remain adamantly opposed to the resolution and have even rejected his suggestion that the concept be put before the voters for a decision. "'I said, let the people decide,'" said Hatch. "But they wouldn't let me put it to the people."

The mayor, at least initially, had better luck with his first proposal on the subject — a resolution asking Congress to declare English the nation's official language, a proposal similar to one approved by 73 percent of California voters in 1986. While backers of these

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measures generally say they are not anti-immigrant, opponents say they tap into fears about a multi-tongued America. They, in fact, serve as a way to convict immigrants on charges of being insufficiently American. Hatch, for one, blames bad schools, depletion of natural resources and homelessness on the new arrivals. The English-only proposal is a way to fight back. "Immigrants are getting cocky," he said. "They have no respect for our country."

In Monterey Park, Hatch offered his English-only measure at the end of his administration's first 60 days, a period some overheated observers have likened to FDR's first 100 days because of the all-encompassing moratorium on commercial development. Around midnight, when the reporters and gadflies had long since gone to bed, Hatch, Reichenberger and a since-defeated council member voted in favor of the resolution.

With that proposal, a new Hatch appeared. Raised in Monterey Park, the mayor yearns for the 1940s and early '50s, when he recalls coming home to stacks of fresh bread on the table and the aroma of stew in the oven, a simpler life. And, though he didn't say it, that was also the time when Monterey Park was wall-to-wall Caucasian.

Housemann remembers begging his running mate Hatch to drop the resolution, fearing that it would tear the city apart. The young councilman was correct. All the good feeling engendered by the *USA Today* award and the multi-ethnic coalition against development disappeared in the storm over what many viewed as a nativist proposal. The suggestion that immigrants relish staying forever on the outside was also offensive. "I don't think Chinese-Americans are against interacting, or learning English," said Stewart Kwoh, executive director of the Asian Pacific American Legal Center of Southern California.

To this day, Hatch insists that he is only concerned with "protecting the English language," and he cannot understand why people see the initiative as inspired by bigotry. That, however, was precisely the perception. "All of a sudden, we were the city of hate," said Monty Manibog, a 27-year resident of Monterey Park who spent 12 years on the council.

And the city of passionate politics. Hatch's pleadings that "I am not a racist" failed to abort the birth of a recall movement in the spring of 1987 that targeted the mayor and Reichenberger.

A coalition of groups from all over the city spent a reported $200,000 to defeat the pair — and lost by 2000 votes in each case. Hatch attributes the result to tireless door-to-door campaigning; the candidate of the disillusioned returning to his roots. Others maintain that recalls are always a difficult proposition. In any event, the initiative and subsequent response destroyed at least for the moment the notion of a unified Monterey Park.

Eventually Cam Briglio, the third council member to vote for Hatch's English-only resolution, changed his mind, and the proposal was defeated in a second vote. But this vote did not end the anti-immigrant rhetoric. Hatch may lack for votes, but not opinions.

He has started a non-profit group called American Citizens Together (ACT) to fight open borders, bilingual education and any other signs of accommodation to immigrants. A sampler of Hatch's views on the subjects show that this is not just a hobby: "America is a joke right now." "We have lost control of the destiny of our country." "We are even fighting for our own language." But so far, at least, Hatch has expressed no interest in pursuing his agenda on a wider stage.

While it is not unusual to find these anti-immigration strains in American society, it is somewhat surprising to find them in Monterey Park. This is a city with a legitimate progressive tradition. Manibog, a Filipino, kept getting re-elected, although the local Filipino population is virtually nil. Chen's earlier

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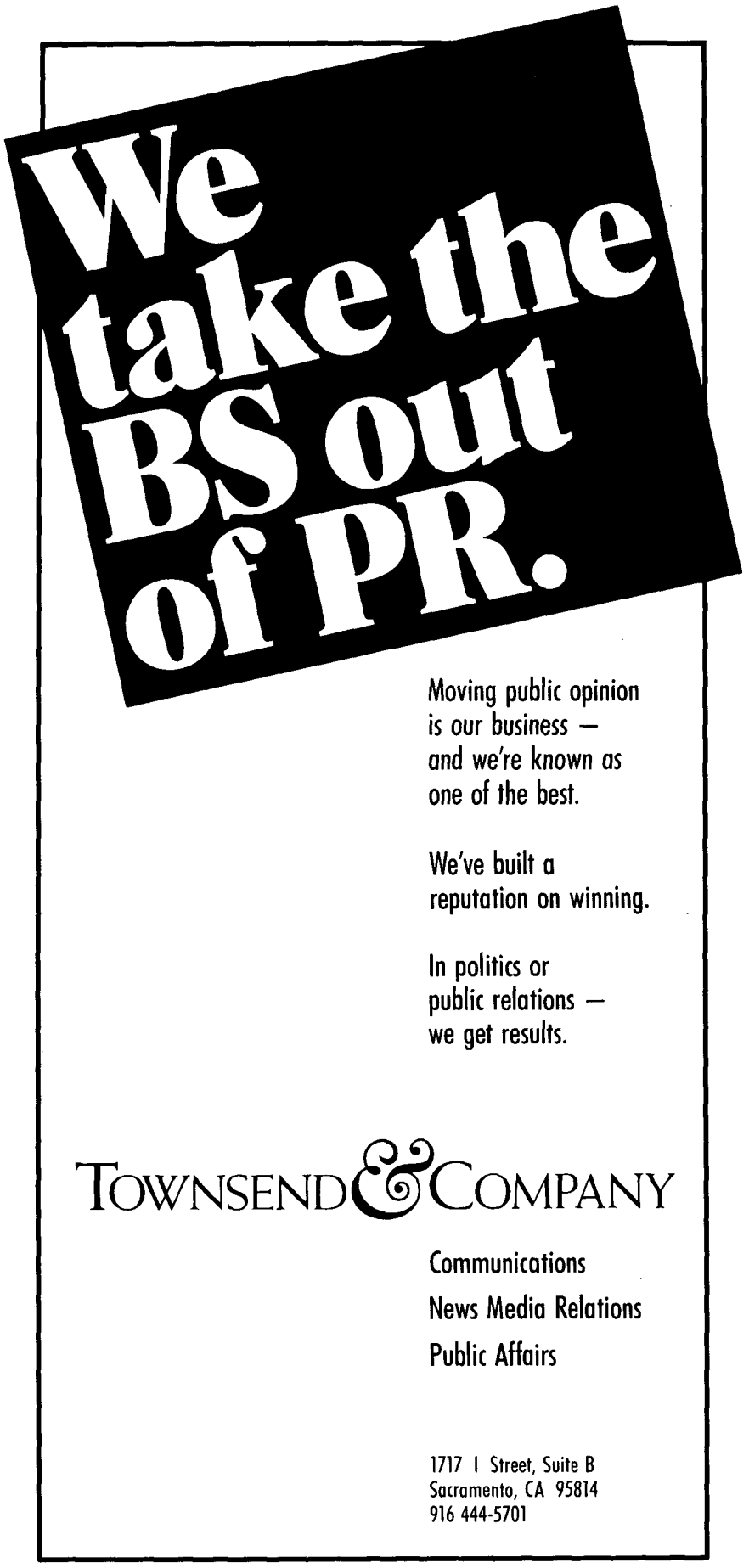
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success and the 1988 victory of Judy Chu have shown that Chinese-Americans, with a significant share of Caucasian votes, can win council seats. And last November Michael Dukakis carried the city.

Incorporated in 1916, Monterey Park since World War II has embodied nearly every population-trend characteristic of Southern California. Jews from nearby Boyle Heights were the first group to join the entrenched Anglo population, bringing with them a more liberal, Democratic brand of politics. Within a few years, the Jewish settlers had helped start one of the state's first charter Democratic clubs — not a common sight during a time when Wisconsin Senator Joe McCarthy was busy and Dwight Eisenhower sat in the White House.

Later in that decade, canny developers in town began advertising their state-of-the-art suburban homes in foreign-language newspapers. A surprising number of Japanese families responded, creating the beginning of what has become a thriving community. One of those pioneers, a man named George Yano, has been closely aligned with Mayor Hatch, even walking door-to-door with him during the recall campaign. In a kinder voice, Yano echoes the mayor's feelings about immigrants: "I have a neighbor. I spoke to him in English, he spoke in Chinese. You can imagine how far we got."

By the end of the 1960s, Monterey Park's ethnic diversity and strong Democratic base had given the city a reputation for grooming notable politicians. Al Song, a Korean-American elected to the state Senate, started out on the Monterey Park City Council. George Brown, another member of the Monterey Park fraternity, went on to the House of Representatives, where he became a leader in the anti-Vietnam War contingent. Brown gave up his seat to run unsuccessfully for the U.S. Senate but eventually won in a new congressional district, this one covering the area around Riverside.

In the 1970s Latino families moved to the city. They followed the same path as their Jewish predecessors — east from Boyle Heights. At the same time, many of the Jewish families had become prosperous and abandoned the city for San Fernando Valley boom towns such as Encino. Latino political power was represented by the election of Marty Martinez, first to the city council and, later, to the state Assembly and to Congress. Today Assemblyman Charles Calderon's district includes Monterey Park as does the state Senate district

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of Joseph Montoya. And in 1988 Judy Chu received 35 percent of the Latino vote, a key factor in her finishing first among a field of eight contenders.

Otherwise, the 1970s only hinted at the problems that would breed much anger and resentment during the decade to follow. The twin gasoline crises of 1973-74 and 1979 helped cause a rapid increase in the city's population as Los Angeles-based workers sought to avoid the hassle and expense of a long commute. Monterey Park was a safe, clean and convenient option.

In the process, a city that had seemed somewhat quaint began experiencing the traffic congestion and assorted urban ills that had always been the other guy's problem. Add to this Proposition 13, which cut city services just at the time they were most needed, plus a condo boom in a town that had seen only single-family homes, and it was clear the old Monterey Park had been decimated.

Into this swirl came the first wave of immigrants from Hong Kong and Taiwan. Nobody is quite sure why Monterey Park became their city of choice, although intriguing theories have been proposed. Houseman, for one, believes the city's reputation for progressivism and its proximity to Chinatown lured the newcomers. Manibog cited Chinese realtors based in Monterey Park who traveled overseas and touted the area.

Even in the early days, there were signs that not everyone welcomed this shift in the city's demographics. "When I was mayor, people asked 'Why are you letting so many Chinese in the city?'" said Manibog.

Now the city has become a magnet; Asian college students from throughout Southern California gather in its clubs on weekend nights to talk, drink, hear music. Drive along a main avenue — Garvey, for instance — in Monterey Park today, and you will see Chinese script in front of almost every building except McDonald's and the U.S. Post Office.

The Chinese flavor of the city is so strong, especially in the business district, that it's hard to imagine what things were like when Jewish, Latino or Anglo entrepreneurs predominated. Hatch has angrily resisted efforts to officially set aside a "Little Taipei" section, but there is already an outdoor shopping area called Taipei Center that includes fancy restaurants and boutiques all under a green pagoda roof.

The Center rubs up against some of the older, simple homes that are a vestige of Monterey Park's past. In the juxtaposition there is a feeling of class differences, an uneasy mix of new

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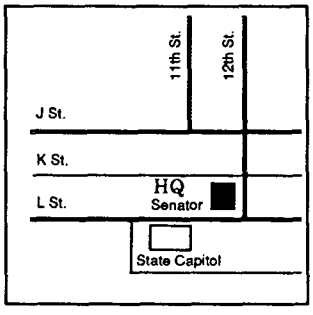

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wealth and dashed dreams. No one flatly stated that this contrast is at the heart of Monterey Park's problem, but it must rankle some old-timers to see successful Chinese cruising in Mercedes.

The clash plays itself out in other ways. Residents have been startled by the aggressive methods some Chinese employ in seeking local property. Edward Sanchez, a Hatch supporter, was offered $200,000 cash for his place by a well-dressed man who came unannounced to the front door with the money in a suitcase. Sanchez, a resident for 35 years, politely declined.

There are other places for the well-dressed man to put his money. Banks, for one. Houseman calls Monterey Park "a miniature Zurich;" the city has one bank per every 1000 residents. These accompanied the growth in Asian population, as has a surge in restaurant openings. Monterey Park currently has 130 restaurants, many of them so good that high-priced bankers and lawyers working in downtown Los Angeles will forego the swank place across the street to drive 10 miles east on the San Bernardino Freeway for Chinese cuisine.

The "new look" Monterey Park is great copy for the European, Asian and East Coast media which has descended on the city since Hatch began making noise. Houseman recalls extended visits by the BBC, MacNeil/Lehrer Report and a major Japanese network; and Manibog once talked to a crew from Finnish television.

Local crime has become more exotic since the influx of immigrants from Taiwan and Hong Kong. Houseman said he lived down the street from a Chinese pimp who ran a house of prostitution using Korean women. Gambling dens and drug busts are both commonplace; the city has also become an address for the United Bamboo and Triad gangs. The criminal activity makes residents nervous, but much of it exists in shadowy corners apart from the average Anglo, Asian or Latino citizen.

The conflict that touches lives occurs every other Monday night in council chambers. Hatch v. Chu, as a fight promoter would tout, has had its moments, although the councilwoman generally shies away from bruising confrontations. "On the one hand, I want to present opposing points of view. On the other hand, I don't want to drag the council down," she says.

Manibog says he would like to see people rally around Chu. The 34-year-old clinical psychologist and associate professor of Asian-American studies at California State University, Los Angeles, received 90 percent of the Chinese vote in her successful council campaign. But, she points out, her final tally included a substantial 30 percent of the Anglo vote in a contest with eight candidates. Chu, attractive and articulate, is being watched by the Democrats. She was a prominent presence last fall at Asian community fund-raisers held by people such as Leo McCarthy.

Hatch does little but talk about immigrants and their habits; Chu would prefer to discuss child care and the city's multi-ethnic center for senior citizens. But the acerbic mayor has set the agenda, in no small way because of the resultant media attention.

Ironically, in many respects Chu is much better-positioned for a fight. Along with the help of husband and campaign manager Michael Eng, who formally administered a political-action committee organized on behalf of Chinese interests, she has been able to raise money. Chu may well have the same success as former council members Marty Martinez and George Brown.

Hatch has tried to counter the Chu-Eng personal and political partnership by labeling it a machine. "He thinks it's okay for [Chinese] residents to be here as long as they don't say anything," responds Chu.

But if at times the Monterey Park dispute seems provincial, it also is clearly reflecting concern that America is sinking while Japan, Korea and Taiwan are on the rise. This picture, whether right or wrong, inevitably gives Americans a sense of inferiority. Best-selling books urge the United States to emulate the Japanese business model or face the consequences. At this time of national angst, Barry Hatch and his supporters are making their stand in Monterey Park. In a reversal of the national mood, they are linking Asians with decline, this time of the old neighborhood. It also gives him political flexibility in the future. In 1990, when he plans to run for re-election, Hatch can either blame immigrants for the city's sorry state or take credit for its turnaround.

The other side speaks not of decline, but of deception, racism and anger. "His actions have polarized the community," said Stewart Kwoh of Hatch. "People now have to try to bring the community together." That won't be easy, but the outspoken mayor has drawn a line that those of like mind can step across.

The next election is key. No one can ever again make the claim that Hatch's politics are a mystery. Asian-American leaders, sensing the importance of 1990, have already begun an extensive voter registration drive in Monterey Park.

A Hatch victory would cast doubts on the political maturity of the Asian community, especially since this is one place the numbers are in its favor. But if they beat him, civic leaders of all kinds will then have to demonstrate by increased community tranquility that Hatch was the cause of unrest, rather than its symptom.

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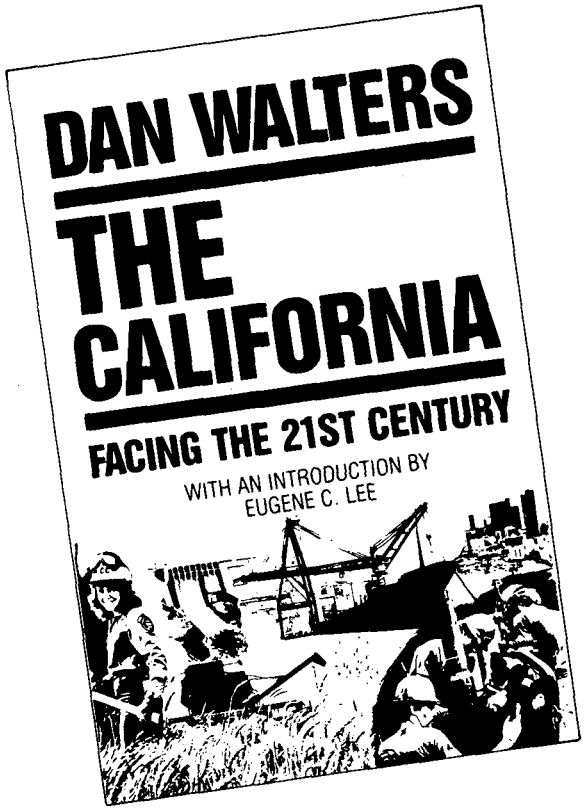

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Bingo!

Indian tribes strike it rich

By Michael Doyle

For a game with such a fuddy-duddy reputation, bingo is at the heart of some surprisingly harsh political battles and intense law-enforcement concerns.

The concern is not over Sunday night church bingo, with its limited prize money and sedate image. The concern is over high-stakes bingo as played on some 18 Indian reservations in California and over 90 reservations nationwide. The California games alone brought in more than $106 million in 1987; the kind of cash that financially strapped tribes see as possible salvation, and that organized crime figures allegedly see as a new frontier.

Representatives of the nation's race tracks and casinos, meanwhile, look on the Indian ventures as competition abetted by the tribes' unique sovereign status. This has resulted in a strange alliance of gambling interests with the law-and-order types, each seeking to constrain Indian gambling but for different reasons.

And with all these interests at play, some of the most prominent members of Congress have been crafting legislation to control tribal high-stakes gambling. Congressional Democrats Tony Coelho of Merced and Morris Udall of Arizona played the key roles in the House last year as lawmakers finally approved new Indian gambling control measures.

More than four years in the making, the National Indian Gaming Commission begins its oversight work this year. It is designed to fill the regulatory void left by a series of court rulings

Michael Doyle is a reporter in the Washington D.C. bureau of McClatchy Newspapers.

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affirming the sovereignty of Indian reservations.Sovereignty, in this case, has entailed unusual freedom from state and federal restrictions.

The potential consequences of this freedom were spelled out earlier this year in hearings by a special investigations panel of the U.S. Senate's Select Committee on Indian Affairs.

"High-stakes bingo games have attracted a small number of individuals associated with organized crime," Robert Morehouse, administrator for the California attorney general's office, told the panel during hearings on tribal corruption. "They're expanding all the time, and the more they're going to expand, the more we're going to have problems."

UPI photo courtesy of *Riverside Press-Enterprise*

The expansion is easy to see.

In 1983 five Indian reservations in California had high-stakes bingo operations. These games typically offer thousands of dollars in prizes, buses to bring in hopeful patrons and playing hours that sometimes go to 24 hours a day, seven days a week. New bingo parlors have cropped up in California every year, bringing the current number to 18. Another eight reservations have proposed starting their own. The existing Indian bingo halls stretch from Del Norte County on the Oregon border to San Diego County in the south.

Bureau of Indian Affairs figures show the Morongo Band in Riverside County, with a bingo parlor adjacent to the highway to Palm Springs, runs the highest-grossing hall in the state, with an estimated $24 million taken in during 1987. Started in April 1983, the Morongo game is also the longest-running of its kind in the state.

Other large California Indian bingo halls include the Sycuan Band's hall in southern San Diego County, which reportedly grossed $17 million in 1987, and the Soboba Band's hall in Riverside County, which reported taking in $11 million. Farther north, the Chicken Ranch Rancheria in mountainous Tuolumne County grossed $9.1 million in 1987, while the Rumsey Indian Rancheria in Yolo County took in $9 million.

Court rulings allowed expansion of these games, starting with one from the federal Fifth District Court several years ago that allowed the Seminole Tribe in Florida to conduct games free from state interference. In an even more seminal case involving California's Cabazon Band of Mission Indians, the U.S. Supreme Court affirmed in 1987 that tribes, in states that already allow some form of gambling, could run their games outside of state regulation.

Need has further fueled the expansion.

"Since opening bingo ... it has been the first time we have had an opportunity to achieve self-sufficiency," Soboba Band Council Chairman Scott Cozart said during 1985 congressional hearings on Indian gambling. "Our tribe has approximately 550 members, and prior to the start of bingo our unemployment rate was at 40 percent. Since then it has gone down to 10 percent."

Fear that the loosely regulated Indian games would attract mobsters started about the same time as the games themselves. Seeing through the fear to what's actually going on, however, is no simple exercise. In his Senate testimony, Morehouse of the state attorney general's office emphasized the threat of organized-crime infiltration more than the practice. Actual known cases of such infiltration are relatively few, he said. The deputy assistant director of the FBI's criminal investigations division, Anthony Daniels, made the same distinction.

"I don't see it as a major problem right now," Daniels said, "but wherever there's lots of cash, particularly in gambling industry, you'll find the La Cosa Nostra trying to move in."

Indian leaders, meanwhile, tend to dismiss the crime threat.

"I think that this is a case of overreaction to a potential problem that tribes can control," Morongo Band Council Chairman Robert Martin said during earlier congressional hearings on the Indian Gaming Regulatory Act. Indeed, some of the staunchest friends of Indian rights maintain that the organized crime threat is but a smokescreen thrown up by competitors.

"And who are these opponents of Indian gaming who have raised the spectre of organized crime?" Udall asked rhetorically during last year's review of Indian gambling regulations. "They are the gambling casino operators of Nevada, the Horse Track Owners Association and the American Greyhound Track Operators Association."

The vested interests are certainly there.

In 1987 the American Greyhound Track Operators Association paid a Washington D.C. lobbying firm $49,911 to push for legislation controlling Indian gambling, House records show. The same lobbying firm — Dickstein, Shapiro and Morin — was again hired by the dog racers in 1988. The Nevada Resort Association hired their own lobbyists, paying more than $42,000 last year for work on federal legislation. On the other side of the track, the National Congress of American Indians paid their own lobbyists.

"Let us be candid," Udall said. "The gambling lords of Nevada and the race track owners of the country perceive an economic threat to their profits from ...the card parlor on the Cabazon Reservation in California."

The House forces that pushed for tighter regulations on Indian gambling, led by Coelho, could hardly deny the self-

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interest of the gambling lobby. They repeatedly asserted, however, that ventures such as casino gaming, horse racing and jai alai all presented too many opportunities for mischief if they were permitted to flourish without restraint on Indian reservations.

At least one witness appearing before the Senate investigating panel this February offered reason to believe such cautionary notes. This witness, a former manager of a western Indian bingo hall, warned that organized crime infiltration already exists, possibly to a great degree.

Screened from view and identified only as "Marty," this former associate of mobsters said he knows of at least 12 Indian bingo operations that funnel money to organized crime. He believes, moreover, that fully one-half of all the Indian bingo operations nationwide have either direct or indirect ties to organized crime, through management companies, suppliers, service industries or other avenues.

"Any time there's easy money, the mob will jump in," this witness testified. "A great deal of money is being taken out of the bingo halls which really should be going to the tribes."

The Meyer Lansky mob, which used to run casinos in pre-Castro Cuba, is one of about three crime organizations involved in Indian bingo operations, Marty said. He claimed to know of one Indian bingo hall that lost between $600,000 and $700,000 annually in profits that were skimmed off the top.

The money gets siphoned off by mobsters in numerous creative ways Marty testified. Orders are placed for supplies that never arrive, prizes are awarded to shills who then pay back the organization, and the costs for construction and management just keep mounting.

To help lubricate business, Marty said he would pay a "consulting fee" of $1000 weekly to the chairman of the tribal council. "If the tribal chairman is getting a part of it, he's going to overlook what's going on," Marty said.

While his assessment of the crime problem was more dire than Morehouse's, both agreed that Indian gaming operations which use an outside management company seem more prone to abuse. These tend to be the largest games; typically, the management company gets to keep 40 to 45 percent of the net proceeds. At least 13 of the Indian bingo operations in California are run by outside management companies.

Several of the problems that have touched California reservations have involved such gambling management firms.

In 1985 the former general manager of the Barona Indian bingo operation pled guilty to four counts of grand theft, admitting that he had stolen $96,000 from the Barona operation. It was a relatively straightforward scheme: The girlfriend of an associate of the manager would win rigged games and then return the money. Manager Stewart Siegel had been employed by a Los Angeles firm called American Management and Amusement.

A different management firm now runs the Barona games.

Morehouse, in his Senate testimony, said the organized crime problem was "exemplified" by another case involving a California tribe and management company.

In 1985 an associate of the Luchese and Gambino organized crime families named James L. Williams came to the Sacramento area to investigate bingo's potential, Morehouse said. A local investor put up $300,000 to help Williams start Arrow Management Services, which then signed a contract to operate bingo games at the Jackson Rancheria in Amador County.

The investor subsequently went bankrupt, Morehouse said, and filed a lawsuit charging Williams with embezzlement and skimming of profits from the bingo hall. Williams himself was convicted in 1987 of federal tax violations for bingo operations he ran in Florida. A different management company now runs the Jackson Rancheria games.

For all these stories, competing forces in Congress remained locked up in stalemate for several years, unable to agree on compromise and unwilling to let the issue go. Coelho wanted more regulation, and his position as House

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majority whip made that a point of view that couldn't be ignored. Udall wanted to maintain maximum flexibility for Indian tribes, and his position as respected chairman of the House Interior and Insular Affairs Committee likewise made that a compelling perspective.

The political struggle included elements of the theatrical, like the time last September when Indian leaders arrayed themselves on Capitol Hill in full ceremonial dress and vowed to resist infringements on their sovereignty.

Ultimately, lawmakers agreed on a compromise whereby existing Indian bingo operations could continue as they were, though overseen by the new gaming commission. If tribes want to start more ambitious operations, like racing or casino games, they must first form a "compact" with state government on how the games will be run. These compacts are supposed to give law enforcement officials more oversight of the games, while avoiding any precedent for expanding state powers onto the reservation.

Whether the Indian Gaming Regulatory Act will prove strong enough is only one of the questions remaining from last year's congressional action. From a strict law-enforcement perspective, the measure is imperfect.

Justice Department officials, during debate over the measure, said that "legislation should ideally limit tribal gaming to bingo." That didn't happen. The new law also allows Indian bingo operations that run trouble-free for four years to become self-certifying and outside of the normal oversight of the gaming commission.

"The regulatory function should be continuous," top FBI official Daniels told the Senate panel this year. "Regulation can never be too tight."

Gambling foes have also questioned whether the commission's $3 million budget, derived from assessments on Indian gambling operations, is proper for the oversight job required.

Indian supporters, meanwhile, still fear that the measure is just another incursion into their world. Several of those who voted for the law said they did so reluctantly, and they emphasized that no other state or federal authority should try to slip through the jurisdictional door opened by the gambling law.

It also remains uncertain whether the new regulatory commission can soften the bitter tribal in-fighting that has accompanied some of the Indian bingo operations. Consider what's happened in Fresno County.

In December 1987 the Table Mountain Indian Rancheria opened a 1500-seat bingo hall with the usual expectations of fresh revenues. It didn't take long for dissention to start and tribal politics to become tangled, according to reports by Charles Milos in the *Fresno Bee*.

Last summer, a dissident named Vern Castro deposed Table Mountain Tribal Council Chairman Lewis Barnes. Several months after that, Barnes regained his seat through a special recall election. He subsequently won another four-year term as tribal chairman, in an election marred by Castro's charges of voter fraud.

Both sides in the Table Mountain dispute have claimed that their opponents were misusing tribal funds. As reported by Milos, the fighting is over some real stakes: whoever is chairman gets a big say in how to spend the tribe's 55 percent cut of the revenues.

At last report, however, Table Mountain's estimated $1 million monthly gross is still paying for costs associated with building and operating the bingo hall. The management firm said at the time of Barnes' election in November that the tribe should start seeing profits soon.

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Photo by Larry Ford

Mono Lake

All sides agree the lake should be saved. They disagree over how much water it will take and where that water will come from.

By Casey Skinner

What does it take to save a lake? In the case of California's unique Mono Lake, the savior may be generous portions of money, water, electricity, cooperation between environmentalists and the Los Angeles Department of Water and Power and, if all else fails, perhaps a dash of court order. On the up side, everyone involved seems to concede that something must be done. On the down side, the hard-nosed world of California water politics has made Mono Lake something of an environmental battleground for years.

Mono Lake, with its naturally sculpted tufa towers, is a picturesque corner of the California landscape. But its importance to environmentalists comes not from its landscape but from the vital nature of its waters and islands, which serve as an important resting and breeding sanctuary for thousands of birds.

Mono Lake lies near the eastern slope of the Sierra parallel to the entrance to Yosemite Valley and about 300 miles north of Los Angeles. Its basin is bordered by the Sierra to the west and by high Nevada desert to the north and east. To the south are the Mono Craters, the youngest mountain chain in North America. In the middle of the lake are two sizable islands, Negit and Paoha, formed within the last thousand years by underwater volcanoes.

The lake is fed by runoff from the Sierra which flows into it via streams and underground seepage. But Mono Lake has no outlets other than evaporation. Thus, all the salts and minerals that are carried into the lake remain, creating a body of water with about three times the salinity of the ocean. As with the Great Salt Lake in Utah, no fish can survive in Mono Lake, leading many to refer to it as a "dead sea." However, Mono Lake is far from dead. Instead of fish, its waters are home to a variety of brine shrimp that thrives in the saline water. These shrimp give Mono Lake its unique station in California's ecosystem, for they provide the principal food source for the birds.

But the waters that feed Mono Lake are important to more than the birds that nest on its islands. They are an important part of the lifeline of water into Southern California's biggest city. Early in this century officials from Los Angeles ventured into the eastern Sierra in search of water supplies for the city's growing population. They found this water first in Owen's Valley and later in Mono Basin.

About 120 miles south of Mono Lake, the Owen's Valley provided an attractive water source for Los Angeles. Following a program of massive land and water-rights acquisition, Los Angeles diverted the Owen's River around Owen's Lake into an aqueduct built to carry the water south to the city. Sixteen years after the diversions began, Owen's Lake, deprived of its water source, dried up.

In 1941, after determining that future growth would demand even more water, Los Angeles completed a second aqueduct to divert even more water to the city. The new aqueduct was aimed straight at Mono Lake — not at the lake itself, but at the streams which feed it. Since the diversions began, Mono Lake has dropped about 40 feet and lost half its volume and a third of its surface area. The decreasing lake level has increased its salinity and threatened brine shrimp reproduction. The ultimate threat is to the food supply of mi-

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Casey Skinner is a reporter for the Ripon Record *in Ripon, California.*

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grating and nesting birds.

Environmentalists have decried the slow strangulation of Mono Lake for years, arguing that continued diversion of water to Los Angeles is destroying not only the lake but its entire ecosystem. Los Angeles water officials have countered that the flow is necessary for their city's well being.

Both environmentalists and water officials agree that Mono Lake is slowly shrinking as its water supply is diverted into the Los Angeles Aqueduct. Both sides also recognize that future water diversions will have to be reduced to maintain the lake at a level necessary for the survival of the Mono Basin ecosystem.

But the two sides disagree over how much water must flow into Mono Lake to preserve the ecosystem, how much

Photo by David Gaines

The Mono Lake shoreline

immediate danger exists to the ecosystem and where will Los Angeles find replacement water. And not only water. Mono Lake is over 6000 feet above sea level, and its water flows downhill through various hydro-electric power generators on its way to Los Angeles. Thus, the loss of Mono Lake water also means the loss of energy. Los Angeles officials are reluctant, to say the least, to shoulder the burden of replacing both water and power by themselves.

After a decade of battle in the courts and Legislature, the Mono Lake Committee (which wants diversions reduced) and the Los Angeles Department of Water and Power (DWP) are working with the Environmental Defense Fund (EDF) in an attempt to find water for the city that would be used to replace Mono Basin water. These efforts come in the wake of a 1983 California Supreme Court decision that claimed there were inherent "public trust" values in the Mono Basin that were not considered when the state granted DWP its permit to begin diversions almost 50 years ago.

More recently, California's Third District Court of Appeals has determined that statutes of the state's Fish and Game Code require DWP to release water into streams below the diversion dams to maintain the fisheries in these streams.

These recent decisions have put DWP and other Southern California water agencies in a bind. Los Angeles receives approximately 15 percent of its water from streams that feed Mono Lake. Any reduction of this water supply would have to be made up with water from the Metropolitan Water District of Southern California (MWD) which supplies water to much of the rest of Southern California. But MWD is feeling a pinch due to reductions of water available from the Colorado River and the difficulty of getting more water from Northern California.

Currently the State Water Resources Control Board is developing recommendations on future policy concerning the amount of additional water that can flow from north to south. Ironically, it is the rulings of the Supreme Court in the Mono Basin case that make these new hearings necessary.

An effort currently underway by the Environmental Defense Fund is aimed at finding replacement water for Mono Lake in the Central Valley. In what has been termed "water reallocations" or "water marketing," the environmental group wants to find agricultural water users who might find it more profitable to sell part of their water rights to Los Angeles instead of putting them to use on their own lands growing crops. This might appeal to farmers whose crops currently bring low yields or who might benefit from leaving some of their land fallow. Also, the reduced use of water for agricultural purposes could help reduce selenium build-up from agricultural run-off. This has become a major concern of the state since the discovery of high concentrations of selenium at the Kesterson Wildlife Refuge.

Furthermore, using agricultural water eliminates the need for environmentalists to choose between two water-sensitive areas, Mono Lake and the Sacramento River delta, which are both sources of water for Los Angeles.

California agriculture accounts for about 80 percent of the state's water usage. The low cost of water from state and federal water projects has encouraged the irrigation of marginal land and taken the financial incentive out of using water conservation technologies and practices that are either expensive or inconvenient. But if water becomes a valuable commodity, it might soon make economic sense for farmers to take marginal land out of production and employ conservation techniques. Water saved could then be sold for use in cities, giving farmers a profit and creating a new source of water for the state.

"Initially, the water industry didn't take us seriously, but that's changing every day," says EDF's Zach Willey. The first stage of EDF's project is to find 10,000 acre-feet of water to show that the effort is feasible (an acre-foot is the amount of water needed to cover one acre with a foot of water). EDF is currently negotiating with different Central Valley irrigation districts to meet this initial 10,000 acre-foot goal. "We feel that water transfers can adequately address Southern California's water needs for the next 30 to 40 years," Willey adds.

This concept is not without its legal and political hurdles. Transfers of water rights and the use of state or federal water to make a profit pose some problems. For one thing, increasing the cost of water could drive up the cost of food and hurt California's competitive position in the agricultural marketplace. For another, through years of water wars, the Central Valley farmers have forged a strong bond with the urban water users of Southern California in order to wield the political muscle necessary to capture Northern California water. That is a bond that will not easily be broken.

Agricultural interests are not necessarily opposed to transfers of water from farms to urban areas. "We have no policy problems as long as transfers don't damage third parties or detract from agricultural productivity," states Bill Du Bois, the director of natural resources at the California Farm Bureau Federation. Du Bois feels that the replacement water for Mono Lake can be found among farmers, but at a "high price." This price will reflect not only the needs of the farmers for a dependable and adequate income, but also the cost of moving the water to Los Angeles, which requires pumping it over the Tehachapi Mountains.

Although water transfers might be able to meet the needs of Mono Lake, Du Bois is skeptical about their ability to satisfy long-term California water needs. "EDF's ideas about water conservation in the agricultural sector rarely come from the farming business," he said. "Land, weather, the marketplace and existing infrastructure are all factors which limit the ability of a farmer to implement conservation strategies." Du Bois adds that in meeting the water needs of long-term

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population growth, California will have to turn to storage projects, which require building dams. "The public will have to change its desire for transfers from place-to-place to transfers in time, storing water in wet years for use during dry years," he concludes.

The Department of Water and Power is currently resisting the establishment of any definitive amounts of water that must be given up to preserve the Mono Lake ecosystem. In a policy statement released last fall, DWP stated, "The department acknowledges its responsibility to do what it reasonably can to maintain the lake in an environmentally healthy condition. The department also recognizes that to do so will, at some point in time, require a reduction in the city's authorized diversions which must be replaced."

But DWP takes pains to emphasize that its primary responsibility is to provide water supplies to the citizens of Los Angeles. For DWP, any reduction in diversions is conditioned with the need for the water and power to be replaced and the cost of more expensive replacement supplies to be shared with "the state and federal governments and other interested parties." In the absence of any final court order or action by either the Legislature or the State Water Resources Control Board, DWP is not likely to give up Mono Lake water unilaterally without previous commitments from others to provide and help pay for replacement supplies.

Recent legislation introduced by Assemblyman Phil Isenberg, a Sacramento Democrat, aims to provide state funds to help absorb the cost of establishing replacement water and power. "If we let things proceed as they are, the lake will die," claims Isenberg. "We need a rapid solution that involves Los Angeles, the state and the federal government." Isenberg's bill, AB 444, proposes a bond measure on the June 1990 ballot. The money from the sale of these bonds would be used to help DWP and others finance projects to replace the lost supplies.

"We went to the Mono Lake Committee and the Department of Water and Power with this proposal in order to sweeten the pot," Isenberg said. "This will encourage a solution based on cooperation and accomodation of one another's interest."

EDF's Zach Willey is encouraged by Isenberg's proposal. "It will definitely help. Its the first tangible state involvement that will help fund replacement water," comments Willey. But EDF's timeline is approximately two years before any water transfers can become available to replace Mono Basin water.

The courts are also involved in the Mono Lake story. Two court cases are currently pending before the California Supreme Court that could have a major impact both on Mono Lake and the state's water supply as a whole (see below).

Continued on next page

Mono Lake goes to court

Much of California water policy ends up in the courts, and Mono Lake is no exception. Currently, two pieces of litigation are pending before the California Supreme Court.

One of the lawsuits brought by opponents of DWP's water diversions involves the protection of fish downstream from diversion dams. This past January the Third District Court of Appeal in Sacramento ruled that the second Los Angeles Aqueduct, proposed in 1963 and completed in 1970, failed to comply with 1953 requirements to maintain fisheries downstream from the dams. As a result, the 50,000 acre-feet transported to Los Angeles by the second aqueduct is subject to being used to maintain fisheries in Mono Lake's tributaries below the diversion dams. How much of this water will eventually be required to maintain the fish populations is uncertain. This will have to be determined by the State Water Resources Control Board.

Los Angeles is unsatisfied with the ruling and will appeal it to the State Supreme Court. DWP argues that the application of the 1953 statute to permits for water rights granted to DWP by the water board in 1940 is unjustified. If the Supreme Court decides not to hear the case, the water board estimates that it will take three years to complete the necessary studies and decide on the amount of water that will have to be released into the streams.

Perhaps the most important issue involved in the Mono Lake controversy is also the most vague. This involves the 1983 California Supreme Court determination that there are "public trust" values at the lake which the state is required to protect. Traditionally, the public trust has been held to apply to navigable bodies of water and the land directly below them. The protection of these waters for purposes of commerce and recreation was the responsibility of the state. This interpretation has now been expanded to include the protection of the environment in and around these bodies of water. The Court, citing the increased value which the public has placed on environmental protection, has required that the water rights granted the Department of Water and Power be re-examined to take into account public trust values in the Mono Basin.

What is unclear to most, and frustrating to many, is how the public trust will be reconciled with established water rights and the system by which water rights have been granted for many years. In its decision the Court stated, "The public trust doctrine and the appropriative water-rights system are parts of an integrated system of law." The Court concluded, "The human and environmental uses of Mono Lake — uses protected by the public-trust doctrine — deserve to be taken into account. Such uses should not be destroyed because the state mistakenly thought itself powerless to protect them."

Lawyers for DWP are worried that such a ruling leaves the water industry without a firm basis upon which to make future decisions. The Association of California Water Agencies (ACWA) and the California Chamber of Commerce want to address this issue with legislation that would give the State Water Resources Control Board initial jurisdiction over public trust cases. John Frazier of ACWA claims this "puts the horse before the cart" since the water board has the expertise individual judges lack. "Any person could still challenge the water board decision in court, but the board would be able to provide an informed analysis which would be lacking otherwise," states Frazier. With or without the input of the water board, much of the public trust doctrine and its integration with water-rights law will be fleshed out by the courts in a case-by-case manner.

— *Casey Skinner*

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Martha Davis of the Mono Lake Committee is confident about her group's chances to receive a favorable ruling in the courts. But does Mono Lake have the time to wait for a litigated decision? "We want to solve the problem. The question is, how do we get there?" she asks. "Litigation is our strongest suit, but although Los Angeles is on the losing side of the lawsuits, Mono Lake is on the losing end in terms of time."

Based on a study produced for the California Legislature, Mono Lake's situation will grow more serious as early as this year if no action is taken to maintain the lake level. If nothing is done by the end of the century, the lake will reach a level that is "extremely dangerous for the lake's ecosystem," according to the study.

As the day when Mono Lake undergoes serious damage nears, there is an increasing sense of urgency to find a solution outside the courts.

Assemblyman Isenberg's bond measure will require a vote that cannot take place before June 1990. Any funds from the sale of bonds proposed by Isenberg will probably not be available until late 1990 at the earliest. Any action on the court ruling to protect fisheries by allowing water to flow into the lake awaits years of study to determine the necessary amount of water needed. And the public-trust case promises to be a long, hard fought battle with no certain time frame.

Both sides in the Mono Lake dispute take pains to demonstrate a new era of cooperation, compromise, and mutual recognition of interests. Unfortunately, the situation at the lake this fall might demonstrate an inability to cooperate to prevent damage to the lake's ecosystem. Indeed, it could show a basic disagreement on whether or not the lake is in trouble.

The Department of Water and Power has stated that its water diversions from the Mono Basin will have to be reduced "at some point in time." And Duane Georgeson, the assistant general manager of water at DWP, has said that the department has recognized an environmental dilemma at Mono Lake since 1973. He attributes the slow pace of negotiations to "time-consuming data gathering."

"From the beginning, relations were not all that antagonistic," claims Georgeson. "Although we did not always agree on impacts, there was a general agreement on basic facts."

Today, in the face of an analysis that predicts immediate water needs for Mono Lake, once again there is disagreement. The Mono Lake Committee hopes to find a way to make water available for the lake immediately. Martha Davis wants to talk with Los Angeles about short-term water releases to be made in "good faith" to prevent the "incremental unraveling" of Mono Lake's ecosystem. But DWP sees no such need. Georgeson states, "The department has no immediate concerns about the lake ecosystem." Georgeson says DWP spends $1 million a year studying Mono Lake, and the current condition of the lake indicates no immediate threat to either the food supply or breeding habitat.

The prospects for longer-term solutions are better, chiefly because there is a good chance of a substantial amount of state money being made available to help finance the efforts to find replacement water and power. These solutions will not prevent any damage to the lake that might occur before 1991, but it appears likely — either because of a cooperative solution or court mandate — that water will be allowed to flow into Mono Lake before the lake's ecosystem collapses completely.

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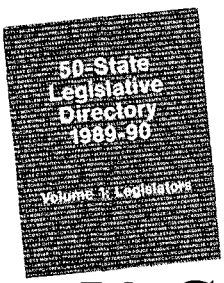

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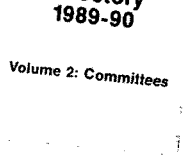

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Tuning out the Capitol

Television news abandons Sacramento

By Rick Kushman

It was two days after FBI agents had raided state legislative offices last summer, and Common Cause's executive director Walter Zelman was bemoaning the fact that despite a newfound caution seemingly created by the FBI's investigation, California politics would soon be back to "business as usual."

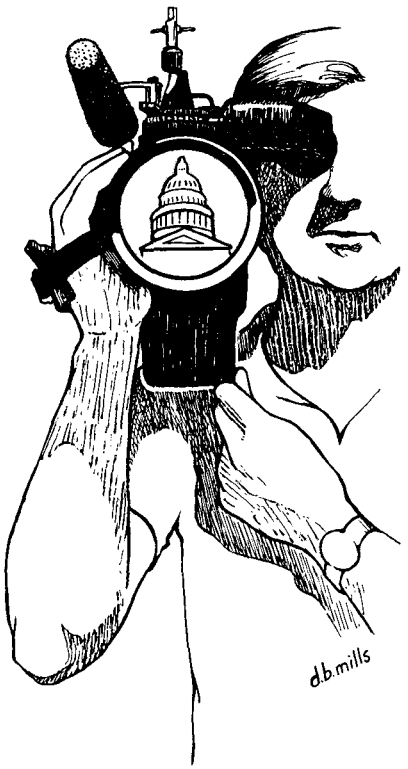
California's voters were hardly paying attention to the probe, he said. California's voters hardly ever paid attention. Unless it happens in the bright glare of the campaign trail, the state's elected officials rarely get in trouble for anything.

"People just don't follow Sacramento politics," Zelman said. "If I had to place a reason for that, I'd say it's television. TV does not cover the major California issues.

"Most people get their information from TV. But there is not one Los Angeles station that maintains a bureau here. There is not one San Diego station that maintains a bureau here. There is only one San Francisco station with a Capitol bureau."

As it turned out, Zelman was about to be disappointed on that score, too. Barely two months after his call for more Capitol coverage, San Francisco's KRON-TV, for years the only holdout, closed its bureau. The last out-of-town television station had gone home.

So now the massive government of California, that major world economic power, does not face regular television coverage by stations broadcasting to



nine-tenths of its citizens. It is a state of affairs that draws criticism from people in and out of television.

"It really discomforts me," said Sherry Bebitch Jeffe, a political scientist at the Center for Politics and Policy of the Claremont Graduate School. "The more people who are aware of what's happening, the better our representatives will behave. A legislator can ride out a bad newspaper story, but a TV story or two can be devastating."

Said Steve Swatt, who covers the Capitol for KCRA-TV in Sacramento: "It is just a mistake. Surveys say the public doesn't care about politics. We have to make people care. So much that happens at the Capitol affects every Californian."

Few television news executives disagree with Swatt. But they say California politics can be covered without focusing on decision-making at the Capitol.

"I think we can do a better job from here," said Michael Theodore, the managing editor at KPIX-TV in San Francisco. "I think we can explain the effect on people's lives. The sleaziest practices in Sacramento aren't going on out on the Assembly floor right in front of cameras. In a perfect world, we would be there full time, but we have to just go up when we need to."

Herbert Dudnick, KRON's news director, said he was pained by the decision to close the Sacramento bureau. But the station had to cut back in San Francisco, too, he said, and KRON can still get Capitol feeds from KCRA.

But Ginger Rutland, KRON's Capitol reporter who now writes editorials for *The Sacramento Bee*, said feeds from Sacramento stations do not necessarily translate to solid news coverage.

"That still allows the bad guys to hide and the good guys to go unnoticed," Rutland said. "I'd go to the guys from my area when they did something. We would identify Bay Area legislators. When you get feeds from an affiliate, you lose that personal connection. It's just pictures filling up the newscast."

Outside of campaigns, television news does not comfortably cover much of California politics. While newspapers are increasing their Sacramento coverage, television seems less and

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Rick Kushman is a Capitol reporter for the Sacramento Bee *and a former assignment editor for* KXTV-TV *in Sacramento.*

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less interested in the Capitol. The reasons for that are many, but they can be grouped into three general categories: economic, technical, and disinterest.

The economic problems are the reason most often given. Television stations face increased competition on all fronts including from cable networks, superstations and video recorders. And local news operations now battle to attract viewers away from titillating talk shows and semi-news programs that feature stories straight from the supermarket tabloids. And more competition means less money for every part of a station's operations.

"We don't have the resources to make the Los Angeles County supervisors accountable," said Erik Sorenson, the news director of KCBS-TV in Los Angeles. "It's hard for me to even think seriously about covering Sacramento full time."

And covering Sacramento full time is no cheap trick. Unlike newspapers, which can staff the Capitol with a reporter, a telephone and a mini-computer, television needs at least a reporter and photographer, possibly an editor or producer, plus a camera, editing equipment and a micro-wave or satellite hook-up to transmit. That can easily run $500,000 a year.

Plus, television stations figure they must never lose a viewer's interest. If they do, even for a moment, that person changes channels and is gone. Newspapers are not hurt by readers who go straight for the sports page or the weather — those people still buy the paper. Television cannot afford that. TV lives and dies by ratings — ad rates and price are based on how many people are watching. Ratings come to stations that keep people interested constantly.

"You end up covering news that affects everybody — the environment, insurance, crime," Sorenson said. "Or you cover stories that are so intrinsically interesting, everybody want to know about them."

And ratings measure the breadth of interest, not the depth, said Tracy Weston, a professor at the University of Southern California's Annenberg School of Communication.

"TV has to go for the largest possible audience at any one time," Weston said. "The game is run second by second, every story has to keep people from changing channels."

Politics, according to the ratings services and consultants, fits none of the above criteria. Government may be important, but it doesn't bring the numbers.

John McManus, a journalism professor at the University of Santa Clara, said television news often relies on a proven formula — emotion and the spectacular — to keep people interested. He said politics or economics could draw high ratings; after all, CBS News' "60 Minutes" had done that for years. But stations have no economic incentive to make politics interesting.

"The great emotional story is less expensive to produce than sending someone to the Capitol to dig," he said. "Why spend money letting someone walk around all day getting to know what's going on."

But television news' discomfort with politics goes far beyond the cost of reporting. It has serious technical disagreements as well. There is, for example, the curse of the "talking heads." Television is a visual medium. It needs pictures with action, pathos, drama. A middle-aged man in a blue suit is simply dull. That means, just as an interesting political story may be more expensive to do, it is also harder, said Don Fields, the producer in KRON's late Capitol bureau who now produces documentaries.

"This stuff up here is the toughest product to produce in this business," Fields said. "In a medium that puts particular emphasis on snap, crackle and pop, and more recently on sex and gore, there is not much up here [Sacramento]. Pictures and technical logistics are as important as content."

The hoops a television reporter jumps through to cover an important floor debate in the state Assembly gives a hint of the difficulty.

For starters, the photographer must be in place early. This is television. There is no story without pictures. Most

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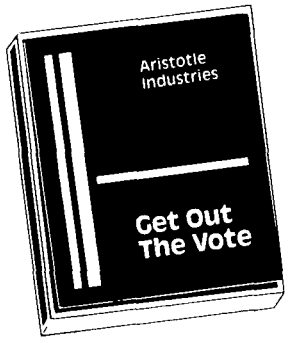

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Assembly sessions don't start until midmorning. They can last hours. Meanwhile, producers at the station want steady updates. While the photographer is working to get good pictures out of 80 people sitting at their desks, the reporter is trying to take notes, write the noon story, track the tapes and figure which sound bites to use.

Near noon — and often before the crucial vote — the reporter must leave the Assembly chambers to do a live report for the noon news, and must feed tape to the station because that report will include pictures of the debate. Meanwhile, the Assembly may or may not be voting.

"Then you're out there with a bunch of screaming 12 year-olds during your live shot," said Rutland. "And on top of all that, you're trying to look somewhat attractive."

After the live shot, the reporter hustles back inside and the scenario repeats itself for the evening news, except that reports will be longer and must contain comments from key players and pictures from outside the Capitol.

"You don't have a lot of time to listen to details because you spend so much time running around on logistics," Rutland said. "It is no wonder a lot of TV people here have trouble with in-depth reporting."

But depth is what makes good political reporting. The trick with television is to provide depth in just 90 seconds. And with interesting pictures.

"A lot of awful important stuff happens behind closed doors," said Doug Kriegel, a longtime political reporter at KNBC-TV in Los Angeles. "In newspapers, if you hear about it, you can write about it. We need pictures. Standing in front of the Capitol talking about it is not the same thing."

Aside from the economic and technical difficulties, some people said the simplest reason television stations cover less politics is because they don't want to.

"You don't win awards with government stories," said KCRA's Swatt. "Those are saved for the fires and the floods. Stations and news directors don't think it's important."

Tony McCuen, a reporter at KXTV in Sacramento, covered the Capitol for more than a year. As a career move, he said, he is glad to be back on general assignment.

"It comes down to marketability," McCuen said. "No matter how good you are, there is no place else to go from the Capitol. Especially in this era of tight budgets, news directors don't want specialists. They want someone who can do any story well."

"So much of what goes on there is so important, but if you asked me what stories I'd put on a resume tape, I would not put one from the Capitol, no matter how good it is," McCuen said. "News directors look for something that strikes them in the first 20 seconds. A good Capitol story might have depth, but there is no pizzazz."

And so much of what interests television reporters and managers is what consultants say interests the viewers.

"Consultants have tremendous influence," said Roy Heatly, a former news director in Sacramento, San Francisco and Los Angeles who established the first out-of-town Capitol bureau when he was at what was then KNXT-TV in Los Angeles in 1963. "They want conflict, controversy, pathos. They are a big reason for the kind of trash television that has popped up with 'Inside Edition' and the like."

Heatly said over the years television news people have become socialized to consider real news to be fast-breaking crime and disaster stories. "It's newsroom folklore," he said. "It is accepted without being questioned. And it is circular. Reporters and cameramen know their bosses are not very interested in politics, so they don't exert the kind of energy they might on a plane crash. Then they get dull political stories and everyone stays uninterested in politics."

Some in television said the disinterest is just a mirror of society, that reporters and producers, like many people outside the broadcast industry, simply don't consider politics important news.

"It starts before they come in the newsroom," said Vic Biondi, the executive director of the California Broadcasters Association and a former Capitol reporter for two stations. "Like the general public, they don't care about politics to begin with, so how do you expect them to go to their news director and say, 'You've got to let me cover the Capitol.'?"

Critics from Zelman to journalism professors to television people themselves said the problems with political reporting may explain the scarcity of Capitol coverage, but they do not excuse it.

"In the end, it is the job of news organizations to tell people what matters," said Kriegel. "We shouldn't wait for the public to be interested. We should be spotting interesting and important stories. We should be leading."

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WASHINGTON PERSPECTIVE

By LARRY LIEBERT

Offshore oil

In the final days of 1989, probably in the lazy lull between Christmas and New Year's, a flock of federal bureaucrats bundled in winter coats will troop into the White House gates carrying fresh copies of a thick report laden with charts and footnotes.

IT'S POSSIBLE THAT:

(1) Their report will echo the oil industry's familiar assurances that oil and gas drilling can be conducted along the California coast without unreasonable risk to the marine environment or to the magnificent vistas. If so, the report from President George Bush's hand-picked task force on offshore oil drilling will be dismissed as predictable and precooked by the Californians who have opposed offshore drilling for decades. The Interior Department will press to resume oil leasing, while opponents will gear up for battle in Congress and the courts. Little will have been accomplished except that Bush can say he kept his campaign promise to review the issue before allowing leasing.

(2) Their report will endorse every qualm of California environmentalists and urge that the state's coastline be set aside as a marine sanctuary that is permanently off-limits to oil exploration.

Don't bet on it. Although Bush proclaims himself an avid environmentalist, he also is a bona fide Texas oilman who was a pioneer in offshore drilling in the Gulf of Mexico. Although the president acceded to demands that he put a representative of the Environmental Protection Agency on his task force, the panel is dominated by pro-drilling agencies such as the Interior and Energy Departments.

(3) Their report will urge a compromise — perhaps by setting out broad environmental standards, or perhaps by mapping out specific areas where drilling should or shouldn't be permitted.

This effort to forge a grand compromise seems the most likely result of Bush's task force on offshore oil, which the White House described as an effort to "examine in detail the concerns over adverse impacts of lease sales in three environmentally sensitive areas" off California and Florida.

It will not be easy for the task force to reconcile the irreconcilable. It must somehow attempt to square the oil industry's demand for new domestic energy supplies with the impassioned opposition of most Californians to the sprouting of oil rigs along their coastline.

Politically, the task force is buying Bush a year's breathing space in the battle over offshore drilling. But its timetable will gurantee that the issue will return with a vengance just in time for next year's campaign for governor in California.

This would seem to pose the greatest threat to the planned candidacy of Senator Pete Wilson. The Republican senator boasts of his close friendship with Bush but also has made opposition to offshore drilling the hallmark of his own kinder, gentler conservatism.

The task force's decision will be crucial "either as an assist to Wilson or a very major drag on him," predicted Carl Pope, national political director of the Sierra Club. The club has had tense relations with Wilson since it spurned him in favor of Democratic Lieutenant Governor Leo McCarthy in last year's Senate race.

Wilson's likely Democratic opponent for governor have been quick to position themselves on the drilling issue. Attorney General John Van de Kamp wrote Bush urging "broad public participation" in the task force's deliberations, including hearings in California.

But Wilson has been no slouch at maneuvering. In particular, he has expressed disappointment that his pal Bush did not delay preliminary preparations for leasing during the task-force study and did not include in the study leasing planned for future years off of Central California, from Sonoma County to Santa Cruz. "It just doesn't make sense to move forward on preparing potential lease sales when the administration may completely revamp its position," Wilson complained.

A Wilson adviser maintained that the anti-drilling senator can master the offshore oil issue, come what may. At best, the adviser said, Bush's task force could come up with a universally acclaimed "Camp David-type accord" on the explosive issue. At worst, he said, a Bush decision for unbridled drilling would give Wilson an opportunity to demonstrate his independence in an election year "by doing battle against his own administration." Whatever the task force may decide, powerful forces seem to be moving against offshore drilling. After two terms under pro-drilling Governor George Deukmejian, it appears all but certain that California's next governor will be an opponent of the drilling who can lead resistance against federal initiatives. At the same time, public distrust of oil companies and their environmental reliability is certain to grow in the aftermath of the huge oil tanker spill in Alaska's pristine Prince William Sound in March.

"THERE IS NO WAY THIS is going to help the political situation," said Charles Matthews, president of the National Ocean Industries Association, which represents the drilling industry. "It was a very serious accident that occurred in Alaska, a jillion miles away from California. But those people who are bound and determined to prevent any reasonable development are going to play it to the high heavens."

Brock Adams of the National Audobon Society said the issue is that the oil industry simply cannot be trusted to protect the environment. "This is occurring, as we all know, in a place where the oil industry assured us there would never be any problem," Adams protested after the tanker *Exxon Valdez* careened onto a reef. "'Trust us, trust us, trust us.' We've had enough of oil industry promises. They can't be kept. It's a messy, dirty operation."

(Larry Liebert is Washington Bureau Chief for the San Francisco Chronicle.)

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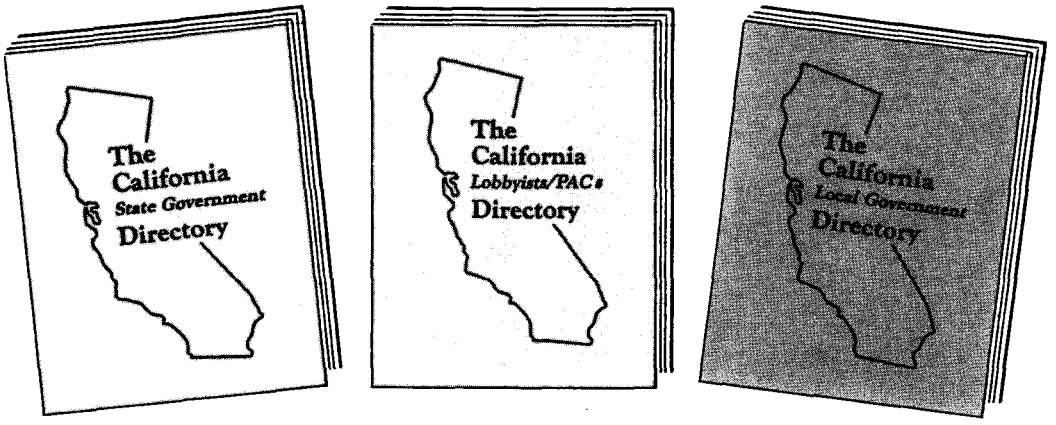
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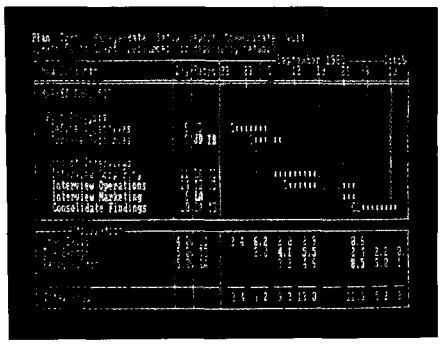

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